

Savings Service Agreement

homegrown savings



PROGRESSIVE
BUILDING SOCIETY



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BUILDING SOCIETY

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1. Member information

Progressive Building Society Rules include certain conditions regarding your relationship with us. The terms and conditions included in this Savings Service Agreement and the booklet entitled A Guide to our Savings Range concern the relationship between you and Progressive Building Society and they supersede any previous versions of the terms and conditions. Please read both documents carefully as they set out your rights and obligations in your dealings with us. Please keep them in a safe place as you may need to refer to them in the future.

2. Regulations

There is legislation called the Payment Services Regulations (PSRs), which came into effect on 1st November 2009. The regulations cover making and receiving payments on certain types of accounts, including some but not all savings accounts.

These rules are European wide and every bank and building society in the UK, the European Union and European Economic Area must comply with them. The aim of the PSRs is to ensure it's clearer and more straightforward to make and receive payments throughout the UK and Europe. The regulations also help to make sure that you're fully informed about your account.

The enforcement for the majority of the PSRs is the responsibility of the Financial Services Authority (FSA). It is responsible for the authorisation, registration and supervision requirements under the PSRs.

In addition, the FSA has replaced the Banking Code with new Banking Conduct of Business rules, known as BCOBS. BCOBS also took effect on 1st November 2009.

Progressive does not offer any payment accounts as all our accounts are designed for saving both in the short and long term and not for paying bills, etc.

3. Opening an account

Whenever you open a savings account, and at any time you ask, you will be given

- details of our current interest rates,
- our current Tariff of Charges,
- Key Product Information leaflet,
- this Savings Service Agreement and A Guide to Our Savings Range brochure, setting out the terms and conditions of the account that you wish to open.

This will allow you to make an informed choice. Staff will give you assistance and help so that you have an accurate understanding of the financial implications of the product but please note that the Society will not give you advice or a recommendation.

Progressive Building Society only offers products and services through its extensive branch and agency network. Our internet site is for information only and access to our e-savings facility. Each account has its own particular terms and conditions and it is important that you study these carefully to ensure that the account meets your needs. If you wish, the terms and conditions can be explained to you. The Society has a 14-day cooling-off period (excluding fixed rate products) from the date of account opening during which you can opt to close your account for any reason. Subject to our normal cheque clearing requirements, we will return your original investment plus interest earned.

4. Operating your account

4.1 Processing times and general conditions about payments

We process payment instructions on the banking day we receive them. To do this we must receive the payment instruction before the 'cut-off' time for that banking day. This is explained in further detail in the tables on Pages 9-12. In this section the time periods we employ assume we receive a payment, or your payment instruction, before the cut-off time on a banking day.

'Banking Day' has a particular meaning in this Savings Service Agreement:

- By banking day we mean Monday to Friday excluding bank holidays. Saturdays are not classified as banking days for payments. Although some payments can be made on non-banking days, the processing of these payments may not be completed on our systems until the next banking day as explained below;
- In all cases, how long a banking day lasts will depend on the 'cut-off' times for that particular method of making or receiving payments. If the payment is not received by the cut-off time on any banking day, we will treat it as being received the next banking day.

You can ask for further information about relevant cut-off times.

We may refuse to accept a payment into an account or make a payment from it if we reasonably believe that doing so might cause us to breach a legal requirement or might expose us to action from any government or regulator.

4.2 Payments into your account (deposits)

Cash deposits

When cash is deposited at a branch or agency counter it will show in your account on the date of deposit and it will be available for immediate withdrawal.

The table on Pages 9-10 of this booklet provides further information concerning terms and conditions associated with cash deposits.

Cheque deposits

When a cheque is deposited at a branch or agency counter it will show in your account on the date of deposit. Cheques paid into savings accounts are, however, subject to a clearing cycle of 6 banking days. This means that, if you pay a cheque into your account on a Monday, you cannot withdraw those funds until the Tuesday of the following week. This is because we cannot be sure that the cheque has been cleared for payment by the paying bank until 6 banking days have elapsed. If you have any concerns regarding the clearance cycle when lodging a cheque into your account please ask the cashier when the funds will be available for withdrawal.

If a cheque deposited by you is returned unpaid ("bounced") by the paying bank we will contact you in order to tell you that your account has been debited with the amount of the cheque and our unpaid cheque charge (see our Tariff of Charges leaflet). We will also ask you to bring in your passbook in order that we can amend your account balance.

We will not accept a cheque deposit if the cheque has been dated more than 6 months earlier.

The table on Pages 9-10 of this booklet provides further information concerning terms and conditions associated with cheque deposits.

Debit Card deposits

When a deposit is made at a branch by debit card it will show in your account on the date of deposit. The funds will be available for withdrawal after 2 banking days.

The table on Pages 9-10 of this booklet provides further information concerning terms and conditions associated with debit card deposits.

Other deposits (direct credit into your account)

When we receive a payment directly into your account (e.g. incoming standing order) it will show in your account on the day of receipt and will be available for immediate withdrawal.

The table on Pages 9-10 of this booklet provides further information concerning terms and conditions associated with direct credits.

4.3 Payments out of your account (withdrawals)**Cash withdrawals**

When making a cash withdrawal at our branch or agency counter you must produce the passbook for the account from which you wish to make the withdrawal.

The sum of cash withdrawn will be limited to £250 at a branch. Some agencies may have lower limits. This is because we do not carry large sums of cash for security reasons. Your branch may be able to provide you with a larger sum in cash by prior arrangement.

The table on Pages 11-12 of this booklet provides further information concerning terms and conditions associated with cash withdrawals.

Cheque withdrawals

When making a cheque withdrawal at our branch or agency counter you must produce the passbook for the account from which you wish to make the withdrawal.

If you have asked that the cheque be made payable to someone other than yourself we will not place a 'stop' on the cheque unless there are exceptional circumstances such as fraud, theft or loss. This is because the cheque is drawn on the Society's bank account and not your own.

If a cheque we give to you is not paid into a bank or building society within 6 months of issue we will consider it to be out of date. You will not receive any interest on the amount of that cheque during this period. Funds will not be re-credited automatically to your account.

The table on Pages 11-12 of this booklet provides further information concerning terms and conditions associated with cheque withdrawals.

CHAPS payments

In exceptional circumstances we will provide a same-day funds transfer service via CHAPS (an electronic transfer). Please note that we must receive your CHAPS payment instruction before 10.00am on the day of transfer.

There is a charge for this service (see our Tariff of Charges leaflet).

The table on Pages 11-12 of this booklet provides further information concerning terms and conditions associated with CHAPS payments.

4.4 Summary Conditions Table
(to be read in conjunction with A Guide to our Savings Range)

| CUSTOMER INFORMATION – DEPOSITS (Stg only) | | | | | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Payment service | Authorisation required | Cancelling a transaction | Processing times | Cut-off times for receipt of instructions | Limits |
| Cheque lodgements into your account | N/A | Transaction cannot be cancelled. | Funds lodged by cheque may not be withdrawn until 6 banking days after lodgement to the account. | Close of business. | No limits apply. See A Guide to our Savings Range for individual account limits. |
| Cash lodgements into your account | N/A | Transaction cannot be cancelled. | If you make a cash lodgement you can withdraw against it immediately. | Close of business. | £15 maximum in coins. See A Guide to our Savings Range for individual account limits. |
| Debit card deposit to your account | Use of correct pin with debit card. | Transaction cannot be cancelled. | Funds lodged by debit card may not be withdrawn until 2 banking days after lodgement to the account. | Close of business. | Limits defined by card provider. See A Guide to our Savings Range for individual account limits. |
| Direct credit into your account, e.g. standing order | N/A | N/A | The payment amount will be credited to your account on the day we receive it from the sender's bank. | 3.30pm | No limits apply. See A Guide to our Savings Range for individual account limits. |
| Electronic transfers via CHAPS into your account | None | N/A | The payment amount will be credited to your account on the day we receive it from the sender's bank. | N/A | No limits apply. See A Guide to our Savings Range for individual account limits. |
| Lodgements to a Progressive Building Society account not held in your name | To make a lodgement to another account, we will require: 1. Payee's name and account number 2. An optional reference name to identify the payment. | Transaction cannot be cancelled. | The lodgement will be credited on the same banking day. | Close of business. | No limits apply. See A Guide to our Savings Range for individual account limits. |
| Faster payments into your account | None | N/A | 10am and 4pm Monday. 4pm Tuesday to Friday. | No restrictions except those imposed by sender's bank. | Limits will depend on the paying bank. See A Guide to our Savings Range for individual account limits. |

CUSTOMER INFORMATION – WITHDRAWALS (Stg only)

| Payment service | Authorisation required | Cancelling a transaction | Processing times | Cut-off times for receipt of instructions | Limits |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Cheque withdrawal from your account | Presentation of passbook and signed withdrawal form. You may also be asked for proof of identification. | Only lost or stolen cheques may be stopped. | Your account will be debited on the day the cheque is issued. | Close of business. | Certain limits apply. Further information can be provided by your local branch or agency. |
| Cash withdrawal from your account | Presentation of passbook and signed withdrawal form. You may also be asked for proof of identification. | Once withdrawal has been made you cannot cancel it. | Your account will be debited on the day you receive the cash. | Close of business. | £250 cash (larger amounts may be available on request). |
| Electronic transfer via CHAPS from your account | Presentation of passbook and signed CHAPS transfer request form. To make a CHAPS payment from your account, we will require: 1. the payee's name, address and bank's name, address, account number and sort code. 2. an optional reference to identify the payment and 3. your signed authorisation to make the payment. You may also be asked for proof of identification. | You are not entitled to cancel this transaction. | The amount of the CHAPS payment will be debited from your available balance immediately. The payee's bank will receive the payment on the same banking day on which the payment was made. | If we receive your instruction before 10.00am we can make the payment on the same banking day. Instructions received after 10.00am will be processed the next banking day. | No limits apply. |
| Internal transfer from your account | Presentation of passbook and signed withdrawal form. You may also be asked for proof of identification. | Once withdrawal has been made you cannot cancel it. | The amount will be debited from your account immediately. | Close of business. | No limits apply. |

4.5 Payment of interest

Funds deposited into an account - Cash, Faster Payment and Direct Credit

We pay interest on amounts paid into your account by the above means on the day of receipt of the funds.

Funds deposited into an account - Cheques and via Debit Card

We pay interest on amounts paid into your account by the above means on the day following receipt of the funds.

Funds withdrawn from an account

If you withdraw funds from your account we will stop paying interest on those funds as at the close of business on the day before the withdrawal was made.

5. Contacting each other

Our contact details are in the contact details section at the end of this document.

You can contact us and give us instructions in any branch or agency.

We will contact you using the contact details you give us. You must tell us if your name or contact details change. If you do not tell us we will go on using the last details you gave us, and we will not be responsible if we fail to contact you or if we send confidential information to the wrong address using out of date details. We may charge you our reasonable costs of finding you (or trying to find you) if your contact details are not up-to-date.

We may listen in to or record any phone calls with you to check we have carried out your instructions correctly, to help improve our service, to check that we comply with regulatory obligations and to prevent fraud or other crimes.

6. Statements and information

For all accounts the Society will send an annual statement including notification of the interest rate currently being paid on the account.

If you use the Society's e-savings facility you can view your statements online and you can tell us to stop sending you interest statements for all, or any, of your accounts with us which are accessible by the e-savings system. You can change your mind and tell us to start sending you interest statements again.

You can ask us to send you a copy of an interest statement we have already provided.

We may use messages on or with your statements to tell you about changes to this agreement or other agreements or services you have with us.

You are responsible for checking statements or other account information we give you. If you tell us about any errors on your account, or if we notice any errors, we will correct them as soon as reasonably possible.

You must give any information and help we reasonably ask for to deal with the misuse or unauthorised access to your accounts, or in relation to any other transaction we, the police, or other authorities are investigating. We may pass on related information to other banks, building societies or to the police or other authorities in the UK.

7. Interest rates

Some accounts (e.g. Fixed Rate Bonds) earn interest that is 'fixed' and this means that the interest rate is guaranteed to be maintained at the same level throughout the term of the product. The rate and term will be clearly stated in advertising literature and in the account passbook.

Other accounts (e.g. Premium Saver) earn a 'variable' rate of interest and this means that the rate of interest paid will vary from time to time (see changes to interest rates below).

Your account may have a tiered interest rate structure. This means that when your balance rises into a higher tier, your entire balance earns interest at the rate payable on that tier. Alternatively, if a withdrawal takes your balance down into a lower tier, your entire balance earns interest at the lower rate. Details of the various tiered rates are available from any of our branches or agents. Current and the most recent historical rates are also displayed on the Society's website, www.theprogressive.com

8. Changes to interest rates

Changes in the Society's variable interest rates will tend to follow movements in the official Bank Rate (commonly known as Bank of England Base Rate) but there may be exceptions to this. An exception may arise, for example, due to a change in the competitiveness of a product or its underlying profitability.

Changes that have a disadvantageous effect (on interest paid to Members)

Any changes in our savings rates that represent a 'material' deviation from the movement of the official Bank Rate, whether up or down, will be considered to have had a disadvantageous effect on the interest paid to Members. 'Material' is defined as:

- a reduction of 0.25% or more relative to the official Bank Rate in any one rate change, or
- a cumulative reduction of 0.50% or more relative to the official Bank Rate in the previous 12 months.

If you have a variable rate savings account with £500 or more in it and a change in your interest rate is a material deviation from the movement in the official Bank Rate, we will contact you personally to tell you:

- when the change will take place
- about other savings accounts available and offer to help you to switch to one of these accounts if you want to
- that you can withdraw all the money in your account, and
- that you have 30 days from the date you receive notification to switch to another account or withdraw the money without any notice period or charges.

Where we have to give you a personal notice, we will tell you about the planned change at least 14 days before the change takes place. You will be notified by letter, email, statement messages or insert or in any other way which is sent to you individually.

Changes that have a neutral or advantageous effect (on interest paid to Members)

Any changes in rate, that do not represent a material deviation from the movement of the official Bank Rate, will be considered to have had a neutral or advantageous effect on the interest paid. These changes will be notified to Members within 3 days of the changes being made by the placing of notices in the Belfast Telegraph, Belfast Newsletter and the Irish News. Details of the changes will also be made available in our branches and agencies and on our website within 3 days of making the change.

9. Changes to terms and conditions (other than interest rates)

Changes that have a detrimental effect (on the service to Members)

If we are making a change that reduces the benefits associated with your account, we will contact you personally to tell you:

- when the change will take place
- about other savings accounts and offer to help you to switch to one of these accounts if you want to
- that you can withdraw all the money in your account, and
- give you a reasonable period of time to switch to another account or withdraw the money without any notice period or charges.

Accepting a change

When we give you advance notice of a change, you can end this agreement or close or change an account without charge within 60 days from the date of notification. If you do not do so, we are entitled to assume that you have accepted the change on the date it comes into force.

Changes that have a beneficial effect (on the service to Members)

Any changes in terms and conditions that provide additional benefits will be notified to Members within 30 days of the changes being made by the placing of notices in the Belfast Telegraph, Belfast Newsletter and the Irish News. Details of the changes will also be made available in our branches and agencies and on our website within 30 days of making the change.

Where we have to give you personal notice, we will tell you about the planned change at least 30 days before the change takes place. You will be notified by letter, email, statement messages or insert or in any other way which is sent to you individually.

10. Charges

Charges for investors and borrowers are published in a separate tariff that is available from our branches and agencies. When you become a Member, we will give you details of any charges for the normal day-to-day running of your account. You can also see these charges by visiting our website. Any charges not included in this published tariff will be advised when you request a service and before they are charged to the account. All charges may be subject to change in the future.

Withdrawals from some account types (e.g. Capital Bond, Premium 90, Premium Saver, Business 90 and Fixed Rate Bonds) may be subject to a loss of interest under the terms and conditions of these account types. You will be advised of the amount of the potential loss of interest prior to the withdrawal being made.

Withdrawals from Fixed Rate Bonds accounts opened after 24 June 2009 may not be made.

11. Income tax

We will deduct income tax at the lower rate from interest paid to you unless you are an eligible non-taxpayer and have completed HM Revenue & Customs Form R85 to allow interest to be paid gross (without tax deducted). For joint accounts interest can be paid net (with tax deducted) to one account holder and gross to the other. If you pay income tax at the higher rate, you will have to pay any additional tax on your interest. HM Revenue & Customs registration forms and details of who may qualify to have interest paid without deduction of income tax are available from your local Progressive branch. The Society is required each year to supply to HM Revenue & Customs particulars of all interest paid or credited to investors.

12. General liability

We will not be liable for losses or costs arising out of unforeseeable circumstances outside our control such as delays or failures caused by industrial action, problems with another system or network, mechanical breakdown or data processing failures.

You will not be liable for any payment instructions you did not give yourself, even if they were given using your passbook and/or security details, unless we can prove either:

- that you have acted fraudulently in which case you will be liable for all payments from the account that we have been unable to stop, or
- that you have been very careless with your passbook or security details; for example, if you do not tell us as soon as you think someone has discovered your security details or is accessing your account without your authority in which case (depending on the facts of the case and any legal requirements that apply) you may be liable for payments from your account but only until you have told us that your passbook or security details have been lost, stolen or could be misused.

If you are not liable for a payment, we will refund the amount of the payment and any charges or interest you paid as a result of it, and pay you any interest we would have paid you on that amount, and will not have any further liability to you.

Nothing in this agreement limits our liability for acting fraudulently or very carelessly or otherwise excludes or limits our liability to the extent we are unable to exclude or limit it by law.

13. Unauthorised payments**13.1 Our liability for unauthorised payments**

If you deny having authorised a payment to or from your account, it is for us to prove that the payment was unauthorised.

Where a payment from your account was not authorised by you, we must, within a reasonable period, refund the amount of the unauthorised payment to you and, where applicable, restore your account to the state it was prior to the unauthorised payment being made.

13.2 Your liability for unauthorised payments

You will be liable for an amount up to a maximum of £50 for losses in respect of unauthorised payments arising:

- from the use of a lost or stolen passbook/withdrawal form
- where you have failed to keep the personalised security features of your account or passbook safe.

You will be liable for all losses in respect of unauthorised payments:

- where you have acted fraudulently, or
- you have intentionally, or with gross negligence, failed to comply with your obligations under this agreement in relation to the issue or use of the passbook/withdrawal form.

Except where you have acted fraudulently, we must not seek to make you liable for any losses in respect of unauthorised payments where:

- the unauthorised payment arises after you have notified us of the loss, theft, misappropriation or unauthorised use of the passbook/withdrawal form
- we have failed to ensure that appropriate means are available at times to enable you to notify us of the loss, theft, misappropriation or unauthorised use of a passbook/withdrawal form.

You must notify us of any unauthorised or incorrectly authorised payment transactions as soon as you become aware of them.

14. **Non-execution or defective execution of payments**

Where you claim that a payment has not been correctly executed, it is for us to prove that the payment was authenticated, accurately recorded, entered in our accounts and not affected by a technical breakdown or some other deficiency.

Where a payment from your account is executed in accordance with your instructions it shall be treated as correctly executed by us.

If you instruct or request us to make a payment from your account and the payment is not correctly executed, we must, without undue delay:

- refund to you the amount of the non-executed or defective payment, and
- where applicable, restore your account to the state in which it would have been had the defective payment not taken place.

Where you have provided incorrect payment instructions, we will make reasonable efforts to recover the funds involved in the transaction. However, we may agree a charge with you for attempting to retrieve the funds. The charge will be disclosed to you before we undertake any such action.

15. **Refusal to carry out a payment instruction**

We may refuse to carry out a payment instruction if:

- you do not have available funds to make the payment or you have exceeded a limit we have applied to your account (such as the daily limit for cash withdrawals)
- the payment instruction is not clear or you have not provided us with the correct details
- there is a legal requirement or a Court Order or other authority that tells us to act in this way
- the payment seems unusual compared with the way you normally use your account

- we reasonably believe you or someone else has used or is using or obtaining, or may use or obtain a service or money illegally or fraudulently
- we reasonably believe that someone else may have rights over money in your account (in this case we can also ask a Court what to do, or do anything else we reasonably need to do to protect us), or
- any other reason set out separately in this agreement applies.

For security purposes we have internal controls on the maximum amount that can be taken out of your account in certain circumstances. We will let you know if we are stopping a payment for this reason. If we prevent you from using your account to make a payment for this reason, we will act in a manner we think is reasonably appropriate for the circumstances and try to reduce the inconvenience to you.

Unless the law prevents us from doing so, we will try to contact you to tell you that we are refusing to act on your payment instruction. You can also contact us to find out (unless the law prevents us from telling you) why we have refused to act on your payment instruction and how you can correct any factual errors that led to our refusal.

16. **Refund for payments**

We will refund the amount of a payment (except those made by cheque) and any charges or interest you paid as a result of it, and pay you any interest we would have paid you on that amount, if:

- you asked us to make the payment to an account at another bank and the payment was not made properly or never arrived, unless there was a mistake in any of the details contained in the payment instruction you gave us or we can show that the payment was received by the other person's bank (in this case, that bank is required by law to make the payment immediately to that person) or,
- you tell us that a payment out of your account was unauthorised and, having investigated it, we are reasonably satisfied that the payment was not authorised and that you are not liable.

17. Ending this agreement or an account or service

This agreement will continue until you or we cancel or end it.

You may end this agreement, or an account or other service under it, at any time by writing to us or by visiting one of our branches or agents. Where you have not told us in writing, we may require confirmation in writing.

We may end this agreement (or any account or service under it):

- by writing to you and giving you 30 days' notice, or
- immediately, if:
 - (i) you are, or we reasonably consider, you may be:
 - using or obtaining, or allowing someone else to use or obtain, a service or money illegally
 - acting fraudulently
 - behaving improperly (for example, in a threatening or abusing manner, or operating the account like a current account), or
 - (ii) we reasonably consider that by continuing the agreement:
 - we may break a legal requirement or a Court Order or other authority
 - we may be exposed to action from any government or regulator or
 - (iii) you have seriously or persistently broken this agreement in any other way.

We may close or suspend an account or stop providing a service if you are not eligible (or no longer eligible) for an account or service.

If we end this agreement, or stop providing an account or service, we will act in a manner we think is reasonably appropriate for the circumstance and will try to reduce the inconvenience to you.

If this agreement (or service under it) ends, it will not affect any legal rights or obligations which may already have arisen or any instructions already given.

When this agreement ends (or your account is closed) we will pay or transfer money we hold for you or owe you under this agreement (or in the account) to you, or to any other person you name in writing.

In the event of your death, we may need to see a Grant of Probate, Letters of Administration or Death Certificate before releasing money in your account to your personal representative.

Provided you are the account holder (i.e. not a nominee or trustee) the balance in the account together with interest will be paid to your personal representatives without notice or loss of interest. On the death of a joint account holder, the balance together with interest will be payable to the surviving account holder without notice or loss of interest or the surviving account holder can choose to keep the account in their name.

18. Transferring rights and obligations

The investment will be, and must remain in, the beneficial ownership of the investor and the investor will not be permitted to assign or change their beneficial interest in such investment.

19. Protecting your accounts

It is important that you help us prevent fraud and the misuse of your accounts. Please make sure you let us know as soon as possible when you change your:

- name
- address
- telephone number
- email address.

If we do not hold correct information we will be unable to communicate with you or send a copy of your annual statement. Always take reasonable steps to keep your personal financial information confidential at all times and never give your account details to anyone else unless you know who they are and why they need them. Take care when storing or disposing of

information about your accounts. People who commit fraud use methods such as 'bin raiding' to get this type of information. You should consider shredding all material before disposing of it. We recommend that you check your statement or passbook regularly. If there is an entry which seems to be wrong you should tell us as soon as possible. The longer the delay in notifying us of the disputed entry the more difficult it will be to resolve. If we need to investigate a transaction on your account, you should co-operate with us and the law enforcement agencies, should their involvement become necessary. If you pay one of your own cheques in over the counter you will be asked to add your name to the payee line. This is to help combat fraud. If it is a cheque from another person you must ask to have your name added to it. Again to combat fraud, when we issue a Society cheque against a withdrawal, and payable to another financial institution, you will be asked if your name can be added to the payee line.

Increasing numbers of cheques are being intercepted in the post and paid into fraudulent accounts. The more details about the true payee and the fewer the empty spaces on the cheque the less likely that it can be tampered with and used fraudulently. Whenever you write a cheque you must clearly write the name of the person or organisation you are paying the cheque to and insert extra information about them on the cheque such as an account number or reference number. A line should be drawn through unused space on the cheque so that extra words or numbers cannot be added. A Building Societies Association (BSA) publication entitled 'Changing the way you write cheques' is available from our branch offices.

Security

When we contact you or you contact us we need to check your identity before you can give us instructions or we can disclose or discuss confidential information about your accounts. For this reason:

- you must sign instructions given on paper
- when you are in a branch or agency, we may ask you for identification.

We may require you to provide us with security identifiers to make an instruction or to confirm your identity.

As long as we have checked your identity in one of the ways set out above, we will assume we are dealing with you.

You must:

- follow instructions we give you, which we reasonably consider are needed to protect you and us from unauthorised access to your accounts
- keep your passbook and security details secure
- do all you reasonably can to make sure no-one finds out your security details for example by not:
 - (i) choosing obvious passwords or codes (such as date of birth) as part of your security details
 - (ii) writing down your security details in a way that is recognisable, or
 - (iii) letting anyone listen in to your calls with us, or watch you entering or making use of your security details
 - (iv) letting anyone else give instructions, or have access to information, on your accounts unless he or she has a separate arrangement with us to do so, or you have authorised him or her to do so under Section 22.

You must tell us as soon as possible (see the contact details section) if you:

- notice any errors
- find our services are not working
- think any passbooks have been lost, stolen, damaged or misused, or
- think someone may be accessing your accounts without your authority or that someone has discovered your security details.

We strongly recommend you do not email us confidential information or instructions and you should not respond to emails asking for your account information, security details or any information about your passbook as we will not ask for these details by email. If you use email, it is at your own risk.

We will do all we reasonably can to prevent unauthorised access to your accounts and to make sure they are secure.

20. Joint customers

If you open a savings account with another party you do not own 50% of the balance in the account. This is because, under law, you jointly own the entire balance with the other party. Either one of you is entitled to operate the account, make withdrawals, close the account or transfer the balance to an account in only one of your names. This is known as 'joint and several liability.' This legal concept will be relevant, for example, in situations where there is a matrimonial split with a savings account in joint names. Legally either party can make withdrawals from the account even though the funds in the account may be in dispute. When you open the account you can specify that the signature of both parties will be required to operate the account. This will safeguard the interests of both parties but may be inconvenient as two signatures will be required for all transactions on the account. If both signatures are required and only one can be obtained, the Society will not allow withdrawals, closure or the transfer of the account until the matter is either resolved legally or by agreement between the parties.

We would stress that if the joint account can be operated on the signature of one party to the account then either person is free to deal with the account as they wish.

If requested, annual statements can be sent to each party to a joint account at different addresses without an additional charge.

Your branch or agency can explain this in more detail when you open the account.

21. Representative joint shareholder

Where two or more persons jointly hold a share account in the Society, the first named in the Society's records is known as the 'representative joint shareholder' who is treated as being the

Member of the Society for most purposes. This has a number of consequences such as:

- notices or other documents sent to the representative joint shareholder will be deemed to have been sent to both joint holders
- only the representative joint shareholder is entitled to vote at meetings
- usually only the representative joint shareholder will receive share distributions or cash payments if the Society transfers its business on a take-over or conversion to a public limited company.

Joint account holders are entitled to choose the order in which they are named in the Society's records. Please advise us of the order whenever you open the account.

22. Authorising others to operate your account

You may authorise someone else to operate your account by Power of Attorney. In some cases we will need to see the original signed document although, for some Powers of Attorney, we may be able to accept a copy certified by someone we reasonably think appropriate, such as a solicitor.

In certain circumstances the law may require us to allow someone else to operate your account (for example, if you become incapable or bankrupt, or in the event of your death), and the Power of Attorney you have given us becomes ineffective.

For security reasons, we may not allow a person who is operating your account access to some services. Where we do make these services available, that person may use your security details and we will not treat you as breaking your security obligations because they know your security details.

We will not be responsible for an act (or failure to act) of anyone you or the law authorise to operate your account, if we did not know or suspect he or she was acting dishonestly towards you.

23. Branch or agency closure

In the unlikely event that we plan the permanent closure of a branch or agency we will tell you at least 12 weeks beforehand. We will also tell you how we will continue to provide our services to you. If the closure of an agency is being prompted by the withdrawal from the agreement (with the Society) by an agent, at short notice, we will tell you about the change as soon as we can. We will also provide you with the locations of alternative agencies (and branches) in your area.

24. Credit reference agencies and fraud prevention agencies

The Society does not make disclosures on savings accounts to credit reference agencies, as they are traditional savings accounts with no facility to overdraw.

We may also pass information to financial and other organisations involved in fraud prevention to protect ourselves and our customers from fraud and theft. If you give us false or inaccurate information and we suspect fraud, we will record this and share this information with other organisations.

25. Superseded accounts

Superseded accounts are defined as accounts which we no longer open or which we do not actively promote with the exception of fixed rate accounts. If an account is superseded we will:

- keep the interest rate at the same level as an account with similar features from our current range, or
- switch the superseded account to an account with similar features from our current range. If there is no account with similar features we will contact you within 30 days of the account being superseded to:
 - tell you that the account is superseded
 - tell you about our other accounts, and
 - help you to switch to one of these accounts without any notice period and without any extra charges.

Examples of similar features include notice periods, minimum balances, numbers of withdrawals, how withdrawals are made etc.

Fixed rate accounts are not included within the definition of superseded. This is because they will only be available and promoted for a short period of time and the Society does not have the freedom to vary the rate paid on the account during the period of the fixed rate.

26. Lost/Stolen passbooks

You must inform us immediately if your passbook has been lost or stolen or if there is a transaction recorded with which you do not agree. Notification can be made to any branch or agency office either personally or by telephone. Our branch telephone numbers are listed at the back of this Agreement. The procedure for dealing with lost/stolen passbooks will then be explained to you. You should report the theft to your local police station without delay. To allow the Society to take steps to prevent the passbook from being used please note that there is a waiting period of 7 days before a withdrawal may be made. The care of your passbook is essential in the prevention of fraud and to protect your account. Always keep your passbook in a safe and secure place. If you act fraudulently or without reasonable care you will be responsible for all losses on your account.

27. Complaints

The Society has an internal complaints procedure should you wish to complain about any aspect of our savings or mortgage service. Branch staff will explain the procedure to you and give you written information on the procedure if you request it. Complaints that we cannot resolve may be referred to the Financial Ombudsman Service.

28. Money laundering

Money laundering is the process by which criminals attempt to conceal the origin of the proceeds of their activities, allowing them to maintain control and provide a legitimate cover for their source of income. The term laundering is used because the process is intended to turn 'dirty' money into 'clean' money. There is growing concern that the laundering of the proceeds of international and organised crime has the potential to undermine the integrity of the financial system. In order to address this, the Society is required to obtain and record proof of identity whenever a new account is opened. This is a legal requirement. We may perform a search to verify your identity. This involves checking the details you have supplied against those held on any databases to which Experian (the credit reference agency) has access to. This includes information from the Electoral Register and fraud prevention agencies. We will use scoring methods to verify your identity. A record of this search will be kept by the Society and by Experian. We may also ask existing Members from time to time, for identity documentation, in order to update our records and ensure that they are correct. Your local branch or agency will be pleased to explain the forms of identification which are acceptable and to give you further assistance. A leaflet entitled 'Proving Your Identity' can also be provided for information. The savings application form asks for some additional information and a specimen signature(s). This is to protect you against unauthorised use of your account should the passbook be lost or stolen. Please note that the Society operates very strict security procedures in your interest. Your passbook will be required for withdrawals and you may be asked to prove that you are the account holder.

29. Advertising and marketing

The Society is committed to ensuring that all advertising and promotional material is clear, fair, reasonable and not misleading. We will take care when sending marketing material to you, particularly if you are under 18. Marketing will not be casual or random. Unless you specifically give us your consent, we will not pass your name and address to any company for marketing

purposes although we may tell you about another company's services or products and, if you say that you are interested, that company may contact you directly. No confidential information will be passed to the other company. If you are interested in the other company's products or services and you respond then you are releasing your own confidential information directly to the company. Our savings and mortgage application forms allow you the opportunity to say that you do not want to receive marketing material from the Society. You can opt out of receiving this material at any time by writing to your local branch or Head Office. Please quote your Progressive account number. At least once every three years we will remind you that you can ask us not to contact you for marketing purposes.

30. Data Protection legislation

The Data Protection Act 1998 outlines the rights of consumers in respect of information held about them. The Society takes its responsibilities under the Act very seriously and has published a guide to data protection, which is available in all our branches. The guide sets out what information we hold about you, how we obtain it, for what purposes we hold it, how we care for your data and your rights under the Act.

Your personal information is the information about you that we get from you and others in various ways, including for example:

- in applications, emails and letters, during telephone calls and conversations in branch, when registering for services, in Member surveys, when you participate in competitions and promotions, through Progressive Building Society websites and during financial reviews and interviews
- from analysis (for example, the amount, frequency, location, origin and receipt) of your payments and other transactions, and your use of services involving Progressive Building Society and what we know from operating your accounts, and
- information Progressive Building Society receives from other organisations such as credit reference agencies and fraud prevention agencies.

How Progressive Building Society uses your personal information

We may store and use your personal information for:

- providing you with products and services and notifying you about either important changes or developments to the features and operation of those products and services
- updating, consolidating and improving the accuracy of our records
- crime detection, prevention and prosecution
- responding to your inquiries and complaints
- administering offers, competitions and promotions
- disclosing information to regulatory authorities in response to formal requests
- disclosing information about you to the Society's legal representatives for the purpose of collecting your debts to the Society
- evaluating the effectiveness of marketing and for market research, training, statistical analysis and customer modelling with the aim of improving services
- assessing lending through the Society
- developing and identifying products and services which we believe may be of interest to you
- managing your relationship with us.

We may, from time to time, provide further details about how your personal information may be used. If you have agreed, we may also contact you about products and services available from Progressive Building Society, which we believe may interest you or benefit you financially. You may tell us at any time if you change your mind.

Accessing and updating your personal information

The Data Protection Act 1998 gives you rights to request your personal information from us. We will charge a small administration fee (see our leaflet 'A Guide to Data Protection') for supplying the information, and may require proof of your identity before doing so. You can ask us to change your

personal information to keep it accurate and up-to-date. For personal information queries and requests, please write to the Secretary at Progressive Building Society, 33/37 Wellington Place, Belfast, BT1 6HH.

Confidentiality

We treat all your personal information as private and confidential (even when you are no longer a Member). If you contact us and request confidential information we may ask you to identify yourself or ask a series of questions to establish your identity. This is to ensure that confidential information is not disclosed to the wrong person. We will not disclose your personal or financial details other than in the following four exceptional cases if:

- we have to give the information by law
- there is a public duty
- it is in our interests (this does not include marketing purposes), and
- you ask us to reveal the information or we have your permission.

31. Bankers' references

The Society does not provide 'bankers' references'.

32. Charitable Assignment

To avoid disruption from speculators the Society will require new investors to agree to assign to charity any future windfall benefits that they may become entitled to within five years of their account opening. Existing shareholding members as at 31st March 2000 who have continuously maintained a shareholding account are not affected by the change and may open new accounts without being required to assign any benefits to charity.

The complete terms are outlined in the agreement below:

Agreement to Assign Windfalls to Charity

Where more than one of you is opening an account the above information and, if applicable, the rest of this Agreement apply to each of you separately.

- 1 I agree with the Society that I will assign to the **selected charity** my right to receive any **windfall benefits**. I authorise the Society and any **successor** to pass any **windfall benefits** direct to the **selected charity** (or to any other registered charity which the **selected charity** may nominate) without giving any notice to me. I understand that the **selected charity** will have the benefit of this Agreement and that neither it nor the Society will release me from it or vary its terms, even if the Society decides at some stage in the future that new shareholding members generally will not be required to enter into similar agreements. I authorise the Society to give the **selected charity** any information about me and any account that I have with the Society (either now or in the future) but only if the **selected charity** reasonably needs it for any purpose arising out of this Agreement. I understand that if the Society no longer exists following a merger with another building society, this Agreement will still apply between me and the other society.
- 2 In this Agreement:
- (a) “**selected charity**” means the Charities Aid Foundation or, if it ceases to be registered as a charity, any other registered charity selected by it;
 - (b) “**windfall benefits**” means any benefits which I may become entitled to as a shareholding member of the Society under the terms of any future transfer of the Society’s business to a **successor** (i.e. on a conversion or take-over), where the transfer to the **successor** is publicly announced within five years of the day on which I become a holder (either sole or joint) of the account for which I am now applying (or such shorter period as applies to me if I am in one of the groups of people that the Society has decided do not need to agree to the usual five year period*). The expression “**windfall benefits**” does not include either (i) the right to have savings in a share account with the Society replaced by savings in a deposit account with the **successor** or (ii) if I am in one of the groups of people that the Society has decided

may keep some or all benefits*, those benefits which the Society has decided I may keep and;

- (c) “**successor**” means any company or other corporate body to which the Society transfers its business under Section 97 of the Building Societies Act 1986 (or under any provision which amends or replaces it).

* Details of these groups and (where applicable) the shorter periods that apply and the benefits that may be kept are available from the Society. The number and composition of the groups may be changed from time to time but no change will apply retrospectively.

33. Dormant or lost accounts

In 2008 legislation was passed enabling money from dormant or lost accounts to be paid into a central fund that is to be used for good causes. The definition of a dormant account is one that has had no customer initiated activity for 15 years or more. The Society currently holds a low number of dormant or lost accounts and the balances involved represent a very small proportion of total balances held on behalf of Members.

If you have money in a dormant or lost account it will always be your property and, in the event of death, will become part of your estate. This is the case no matter how many years pass and if the balance has been paid to the central fund under the 2008 legislation. The money can always be reclaimed from the central fund.

We are committed to making contact with as many affected account holders as possible to reunite them with their funds. Members with accounts identified as ‘dormant’ will retain full membership rights (where applicable), even if funds are paid away to the central fund.

If you have an account with the Society and you are regularly in touch and have kept us informed of your current details, you don’t need to worry. This only affects accounts where the

customer has not initiated any activity on their account for 15 years or more. If you are concerned all you need to do is ask us and we will tell you how to access dormant accounts either directly, or via the British Bankers Association (BBA), the Building Societies Association (BSA) or National Savings and Investments (NS&I) dormant accounts schemes. For web-based tracing you can log onto our website www.theprogressive.com and use the link on the home page to take you to the relevant section of the BSA site or log onto www.mylostaccount.org.uk – this brings the tracing schemes of BBA, BSA and NS&I together into a single website. The service is free.

Please note that a passbook or statement indicating an open account is not necessarily evidence that the account is dormant and has money in it. The account may have been closed without being recorded in the passbook or the statement may pre-date the closure. Your identity will be checked when a previously dormant account is reactivated to prevent fraudulent use of the account.

If you think you have dormant accounts with other banks you can visit www.mylostaccount.org.uk

34. How we are regulated:

- We are authorised and regulated by the Financial Services Authority (FSA).
- Our FSA register number is 161841. To find out more information about us, see the FSA register: www.fsa.gov.uk/register or call the FSA on 0300 500 5000.
- We are also a member of the Building Societies Association, please see www.bsa.org.uk for more information.

35. Financial Services Compensation Scheme

Progressive Building Society is a subscriber to the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000.

The Financial Services Compensation Scheme (FSCS) acts as a safety net for customers of financial firms. The FSCS is industry funded and covers deposits, insurance and investments. The FSCS covers business conducted by firms regulated by the Financial Services Authority (FSA), the UK's regulator for the finance sector.

The FSCS can only pay compensation if a regulated firm is unable, or likely to be unable to pay claims against it. In general, this is when a firm goes out of business. Failures of banks, building societies, insurance companies and securities houses are fortunately rare but if the worst does happen, the FSCS is there to help.

The compensation limit of £85,000 applies to each depositor for the total of their deposits with an organisation, regardless of how many accounts they hold or whether they are a single or joint account holder. In the case of a joint account, FSCS will assume that the money in that account is split equally between account holders, unless evidence shows otherwise.

This means that each account holder in a joint account would be eligible for compensation up to the maximum limit. Where two depositors hold a joint account, the compensation limit of £85,000 is available to each depositor. (i.e. a total of £170,000 for the account).

Individuals are covered by the FSCS. However, there are a number of exclusions which include:

- a large company
- a large partnership
- a large mutual association
- a local, provincial or municipal authority
- the auditors of Progressive Building Society
- a person considered responsible for the default of the society which triggers the FSCS.
- a person whose claim arises from transactions relating to conviction they have received for money laundering.

To find out more, see the Scheme's website www.fscs.org.uk, call them on 0800 678 1100 or 020 7741 4100, email them at enquiries@fscs.org.uk, fax them on 020 7892 7301 or write to them at Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

36. Other information

Unless otherwise agreed, the law of Northern Ireland will apply and all communications and documentation in relation to any contract you may have with the Society will be in English.

The financial relationship between ourselves is complex, and the market in which we operate is ever-changing. This booklet may not have answered all of the questions you may have about opening or operating an account with us but help and advice are always available. It is important to stay in contact with us and to help to make our relationship a mutually rewarding one.

37. Contact details

Head Office

Progressive House, 33/37 Wellington Place, Belfast BT1 6HH
Tel: (028) 9024 4926 Fax: (028) 9033 0431. All calls may be recorded and/or monitored.
www.theprogressive.com

Branch Offices

Belfast

Progressive House, 33/37 Wellington Place, Belfast BT1 6HH
Tel: (028) 9082 1821 Fax: (028) 9043 9421
11 Donegall Square South, Belfast BT1 5JE
Tel: (028) 9032 0573 Fax: (028) 9024 2035

Ballymena

79/81 Wellington Street, Ballymena, Co Antrim BT43 6AD
Tel: (028) 2564 2845 Fax: (028) 2563 0497

Bangor

6 Castle Street, Bangor, Co Down BT20 4ST
Tel: (028) 9127 0348 Fax: (028) 9127 4131

Coleraine

17 The Diamond, Coleraine, Co Londonderry BT52 1DU
Tel: (028) 7032 9999 Fax: (028) 7032 1394

Enniskillen

24 High Street, Enniskillen, Co Fermanagh BT74 7EH
Tel: (028) 6632 2470 Fax: (028) 6632 8004

Glengormley

323 Antrim Road, Newtownabbey, Co Antrim, BT36 5DY
Tel: (028) 9083 9329 Fax: (028) 9084 7106

Lisburn

3 Market Place, Lisburn, Co Antrim BT28 1AN
Tel: (028) 9260 2802 Fax: (028) 9266 4610

Londonderry

26 The Diamond, Londonderry BT48 6HP
Tel: (028) 7137 2277 Fax: (028) 7137 2347

Newtownards

4 Conway Square, Newtownards, Co Down BT23 4DD
Tel: (028) 9181 9709 Fax: (028) 9182 2914

Omagh

40 High Street, Omagh, Co Tyrone BT78 1BP
Tel: (028) 8225 0989 Fax: (028) 8225 1761

Portadown

12 Market Street, Portadown, Craigavon, Co Armagh BT62 3JY
Tel: (028) 3833 0103 Fax: (028) 3839 4134



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