

## What if I get into financial difficulty?

There may come a time when you experience a sudden or unexpected change in your circumstances, which may place a strain on your financial position. If you do experience difficulties please:

- contact us straight away ensuring you have your account number and some basic financial information to hand
- provide us with the information we ask for regarding your financial circumstances and remain in contact with us.

In return we will:

- treat you positively and sympathetically, replying to your queries within reasonable timescales
- discuss all available options with you with a view to reaching a mutually beneficial solution.

For helpful hints on how to avoid incurring overdraft charges visit [nationwide.co.uk/money\\_worries](http://nationwide.co.uk/money_worries)

### Responsible lending

At Nationwide, we take our responsibilities as a lender seriously. For details of our approach as a responsible lender, as well as our expectations of you as a responsible borrower, ask in branch or go online for a copy of our responsible lending statement.

Remember, you should consider all borrowing options carefully and seek independent advice where necessary.

\* EAR is the Equivalent Annual Rate which you can use to compare rates offered by different providers. It is the cost of an overdraft stated as a yearly rate, taking into account the compounding of interest. We work out interest each day on any overdrawn amount and take it from your account monthly, giving you 28 days' notice of the amount. Any interest charged is added to the balance outstanding.

We may decide when to apply and waive all account charges.

All rates and charges may change.

You must be 18 or over to apply for an overdraft.

You can order all our publications in large print, Braille, audio cassette or CD. Your local branch will arrange this for you or you can contact us on **08457 30 20 10**. If you have hearing or speech difficulties and are a textphone user, you can call us direct in text on **0800 37 80 01**. We also accept calls via BT TypeTalk. Just dial **18001** followed by the full telephone number you wish to ring.

# Understanding overdrafts

FSC Guide



Nationwide cares about the environment - this literature is printed in the UK with biodegradable vegetable inks on paper from well managed sources.

Nationwide Building Society subscribes to the Lending Code.

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## What is an overdraft?

An overdraft is a credit facility that allows you to spend more money from your account than you have in it. There are two kinds of overdraft.

- Agreed (where we formally agree a limit with you).
- Unarranged (where you borrow without our prior agreement, up to a reserve limit that we may set on your account).

The amount of any overdraft we may be able to offer you depends on your circumstances and our conditions.

## How does my overdraft work?

The diagram below shows a typical example of how your overdraft works. The agreed and reserve limit are different for each customer. The reserve limit level depends on your circumstances and may not be more than the agreed limit. If you wish, you can advise us that you want to opt-out of having a reserve limit, which will stop us paying transactions that would otherwise take you into an unarranged overdraft (see below for more details).

£0	Balance in credit	
Agreed limit	Agreed overdraft	<ul style="list-style-type: none"><li>• Interest charged at 18.90% EAR*.</li></ul> The level of overdraft we have approved for you up to an agreed limit. You won't have to pay unarranged overdraft charges if you stay within your agreed limit. If you attempt any transaction that would take you over your reserve limit it will be returned unpaid and an unpaid item charge will apply.
	Unarranged overdraft	<ul style="list-style-type: none"><li>• Interest charged at 18.90% EAR*.</li><li>• £20 unarranged overdraft charge (one charge in each month).</li></ul> The amount of any overdraft we may be able to offer you depends on your circumstances and our conditions. <ul style="list-style-type: none"><li>• A paid item charge of £15 for each item will apply for transactions (including cash withdrawals) paid up to the reserve limit.</li></ul>
Reserve limit	Payments returned unpaid (bounced)	We will return unpaid (bounce) any payments beyond the reserve limit and charge you an unpaid item charge of £15 for each transaction.

## Will my agreed overdraft ever be reduced or taken away?

Yes, we may reduce your overdraft or in exceptional circumstances we may withdraw it completely. We would only do this after carrying out a number of checks such as looking at the conduct of your FlexAccount or other Nationwide accounts and your credit rating generally. You will be notified in writing of any changes.

If this happens we will ask you to pay back your overdraft balance. If you cannot do this please contact us to discuss your circumstances.

## What happens if I don't use my agreed overdraft?

Nothing. It's there for you in case you need it. If we make any changes to your overdraft, we will contact you.

### Representative Example:

If you have an agreed overdraft of **£1,200** the interest rate we will charge you is **18.9% EAR** (variable).

## How do I change my agreed limit?

If you wish to increase or reduce your agreed limit, contact us via the Internet Bank or call **08457 30 20 10**.

Where we carry out a search about you at a credit reference agency, the agency will record details of this search and this information will be made available to other organisations to which you may apply for credit. However, you should be aware that multiple credit searches on your credit reference agency records may make it difficult for you to obtain credit elsewhere.

If you think you are going to exceed your agreed limit contact us in advance and we may be able to arrange a temporary increase.

## What is a reserve limit and how can I opt out of having an unarranged overdraft?

The reserve limit is the amount up to which we are prepared to pay transactions above your agreed overdraft limit. Having a reserve limit provides you with more flexibility when managing your money. However, to give you more control and certainty, we provide the ability for you to see how much it is, or opt-out of having a reserve limit (which will remove your ability to spend within any unarranged overdraft), by using our Internet Bank. To view or manage your reserve limit, simply log onto the Internet Bank, click on your relevant current account and select 'Overdrafts'. It can take up to 7 weeks for any opt-out to take effect on your account, so please check your reserve limit regularly until you see it has been set at zero. Until your opt-out is effective any transactions that are on their way to your account could still be paid out of any unarranged overdraft.

Opting out of having a reserve limit / unarranged overdraft would mean we will not authorise any transactions which would see you exceed your agreed overdraft limit. You may welcome the certainty of knowing that this will avoid you incurring any paid item charges (please remember though that any transactions which would take you over your agreed limit will be returned, and unpaid item charges will then apply). There are some circumstances where transactions could still be made even when you have opted out (which might then return you into an unarranged overdraft position) for example, unpaid item charges or card payments where the retailer does not seek authorisation could still take your account above your agreed limit.

Opting out could mean some important payments being returned unpaid, such as a mortgage or insurance premiums, so you should consider this carefully before doing so. Having opted out, you can apply to reinstate your reserve limit via the Internet Bank. If you are not currently registered for the Internet Bank, you can find out more, see a demonstration, and register at [nationwide.co.uk/internet\\_banking](https://nationwide.co.uk/internet_banking).