

Understanding overdrafts

What overdrafts are and how to manage them

In this guide:

Arranged overdrafts

Page 1

- Managing your arranged overdraft limit

Page 1

- Credit reference agencies

Page 1

Unarranged overdrafts

Page 2

How interest is calculated and how we charge you

Page 3

- Comparing overdrafts

Page 3

- How interest works

Page 4

- How we charge overdraft interest

Page 4

- How much we charge you for using your overdraft

Page 4

- The cost of your overdraft in pounds and pence

Page 5

- Overdraft Calculator

Page 5

How FlexStudent overdrafts work

Page 6 and 7

- Your maximum available overdraft limit

Page 6 and 7

Simple ways to manage your arranged overdraft

Page 8

- banking app and internet bank

Page 8

- Overdraft alerts

Page 9

- Additional alerts

Page 9

Help with money worries

Page 10

Arranged overdrafts

An arranged overdraft allows you to borrow money from us, using your current account. You can borrow an amount up to an agreed overdraft limit.

You'll need to apply for an arranged overdraft.

We'll look at your financial situation to help us decide whether to lend you money. If we agree to lend you money, we'll send you an overdraft agreement with more information about your new overdraft. It will also tell you the interest rate you'll be paying and your overdraft limit.

You will pay interest on the amount you borrow. Your account may have an interest free period or amount, and if so you will pay interest on anything you borrow beyond this.

Your statement will tell you how much interest you'll need to pay and the date we'll take the interest from your account each month. When we take fees and charges from your account, we'll either reduce the amount of money in your account or add it to the amount you owe us.

If you have longer-term borrowing needs, why not check out our other borrowing products such as our credit card and personal loan offerings.

To find out exactly how much you can borrow from us and the cost, you can use our arranged overdraft eligibility tool as part of your current account application at nationwide.co.uk/overdraft

We'll need some information about you. Things like your name, address history, employment and income.

We'll run a soft credit check to see what we can offer you. This won't affect your credit score. If you choose to continue with your application, we'll run a hard credit check too.

Managing your arranged overdraft limit

We regularly review arranged overdrafts to make sure they still meet your needs. Sometimes we may change your limit based on how you use your account. If this happens, we'll always try to let you know.

If we ever need you to repay your overdraft balance (including interest), we'll explain what you need to do and the options available.

You can check, apply to change, or remove your limit in our banking app or internet bank (see the banking app and internet bank section for more information).

Credit reference agencies

If your application is approved, we'll notify the credit reference agencies that you have an arranged overdraft with us. This information may be seen by other lenders and could affect your future borrowing.

Unarranged overdrafts

An unarranged overdraft is when you spend more than the amount in your account and you either don't have an arranged overdraft or go over your agreed overdraft limit.

We don't normally let you spend more money than you have in your account or more than any overdraft you've agreed with us.

We'll try to stop a payment if you don't have enough money in your account or arranged overdraft limit to cover it. We may also stop further payments from your account, and this might mean important bills don't get paid. If you go unarranged, we won't charge interest, but you must repay the money as soon as possible.

If you're over your overdraft limit, you won't be able to use your account to make payments or withdraw cash.

To start using your account again, you'll need to pay in enough money to bring your balance back within your limit (or in credit if you don't have an arranged overdraft). You can do this by:

- Transferring money from another Nationwide account using our banking app or internet bank
- Sending money from a different provider
- Visiting us in branch with cash or a cheque

Frequently going into an unarranged overdraft can affect your credit file and make it harder for you to borrow in the future.

If you're worried about how you'll repay the amount you've borrowed, please get in touch and we can talk through your options and create a plan together. The help with Money worries section later in this guide offers more support.

You can also get advice on creating a budget to give you a clear picture of your finances at [nationwide.co.uk/getbackontrack](https://www.nationwide.co.uk/getbackontrack)

How interest is calculated and how we charge you

The table below shows how much interest we charge for each account type:

Account Type	Annual interest rates for arranged overdrafts (APR)	Annual interest rates for unarranged overdrafts (APR)	Refused payment fee
FlexAccount	0% on the first £50, then 39.9% a year compounded (variable) for anything over £50	0%	£0
FlexDirect		0%	£0
FlexPlus		0%	£0
FlexStudent	0%	0%	£0
FlexGraduate	0%	0%	£0
FlexOne**	0%	0%	£0

**An arranged overdraft is only available on FlexOne if you're over 18 years old.

FlexAccount, FlexDirect & FlexPlus, Representative example

38.2% APR Representative (variable). Based on an assumed arranged limit of **£1,200** and an interest rate of 0% on the first £50, then **39.9% a year** (variable).

FlexOne (aged 18+), FlexStudent & FlexGraduate Representative

example 0% APR Representative (variable). Based on an assumed arranged limit of **£1,200** and an interest rate of **0% per year** (variable).

Comparing overdrafts

A useful way to compare the cost of our arranged overdraft with those from other providers is to look at the Representative APR.

APR stands for Annual Percentage Rate. It shows the total cost of borrowing over a year - including interest, fees, interest free amounts, and promotional rates.

How interest works

There are two main ways interest can be worked out - simple (uncompounded (variable)) and compounded:

- The **uncompounded** (variable) interest also known as simple interest, is the rate of interest charged on the original amount borrowed.
- The **compounded** interest rate is charged on the amount borrowed and interest accumulated. Individual transactions become part of your overdrawn balance on the day they are added to your account. Interest is calculated based on your overdraft balance each day including charging any interest on interest – this is known as compounding.

How we charge overdraft interest

We calculate interest daily on the amount you've borrowed, up to your arranged overdraft limit. We'll try and stop you going over this limit. The interest is added to your balance each month, which may reduce the money in your account or increase what you owe us.

How much we charge you for using your overdraft - FlexAccount, FlexDirect and FlexPlus

You won't pay interest on the first £50 of your arranged overdraft - this interest-free amount is there to give you a safety net. Interest is charged on borrowed amounts over £50 at a rate of 39.9% a year (variable). No charges apply if you go into an unarranged overdraft. But you will not be able to withdraw cash or transfer money until your account balance is back within its arranged overdraft limit.

The cost of your overdraft in pounds and pence for FlexAccount, FlexDirect and FlexPlus

Here's an example of the interest cost of borrowing £500:

7 days	30 days	60 days
£2.94	£12.59	£25.54

For the 60 day example, we've applied the charges for the first 30 days, on day 31.

This means that the charge in the second month is higher as we charge interest on the interest you've incurred up to that point. The example includes the overdraft interest-free amount of £50.

Overdraft Calculator

Use our handy calculator to estimate fees and interest on an arranged overdraft with us. The costs shown are a guide - the actual amount depends on how you use your overdraft.

If you'd prefer, you can visit us in branch where a Personal Banking Manager can explain the fees and rates that apply to you.



Visit our nationwide.co.uk/overdraft-calculator

How the FlexStudent arranged overdraft works

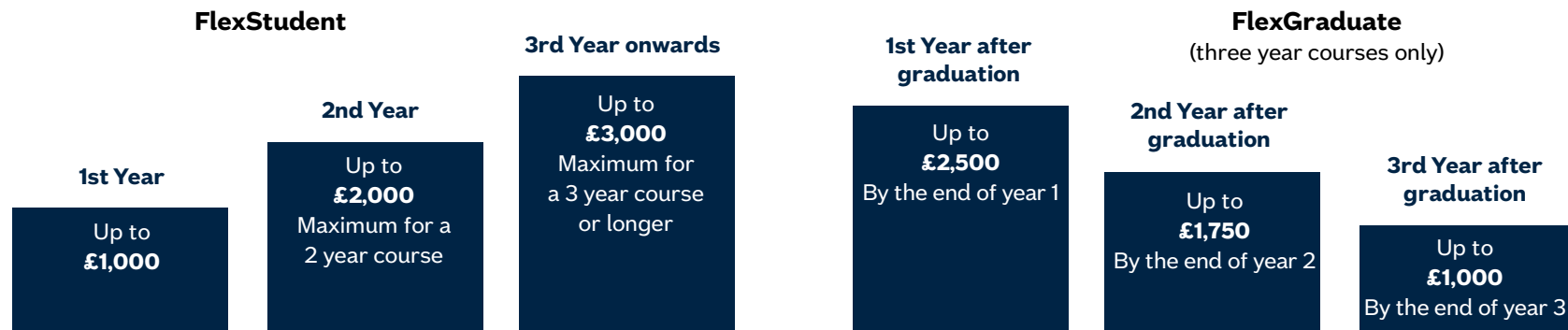
Our student and graduate accounts are designed to support you through your studies and beyond. With a FlexStudent or FlexGraduate account, your arranged overdraft is interest-free - with no fees or charges to pay. After you graduate, your account moves to FlexGraduate, and your overdraft limit will reduce in steady steps.

Key features and benefits:

- As soon as your account is open, you can ask for an arranged overdraft and set a limit. You can borrow up to a maximum of £1,000 in your first year of study, up to £2,000 in your second year and up to £3,000 in your third year or longer periods of study. The chart below explains how this works.
- Just let us know how much you'd like (up to that year's maximum). We'll never increase your limit unless you ask us to.

- Overdrafts need to be approved by us. To approve borrowing, we'll review your financial circumstances. For FlexStudent you will need to pay in £500 a term (or £1,500 in 12 months), manage your account well, keep a good credit record and live in the UK.
- You can ask us to change your arranged overdraft limit at any time, so you only borrow what you need. If you go over your limit, you won't be charged - but you may not be able to make payments or withdraw cash until your account is back within your limit.
- After you graduate, your maximum overdraft limit will gradually reduce each year (limits and timings differ for two-year courses). For example, if your current limit is £3,000, in your first year as a FlexGraduate you'll need to reduce it by £500 over the next 12 months to reach the maximum available arranged overdraft limit of £2,500. If your balance is over the new limit, you'll need to start paying in back. The chart below shows how this works.

Your maximum available arranged overdraft limit



This is only a summary. For further information on FlexStudent and FlexGraduate overdrafts, please see the FlexStudent and Flex Graduate Product Terms. You can find these at [nationwide.co.uk](https://www.nationwide.co.uk) on the current account section of the Support pages, or pop into branch to pick up a copy.

Simple ways to manage your arranged overdraft

You can apply for, change or remove your arranged overdraft using the banking app, internet bank, or visiting us in branch.



banking app and internet bank

To manage your overdraft, just sign in to the banking app or internet bank. If you're using the app for the first time, you'll need to register first.

You can manage your arranged overdraft over the phone if you're not able to use the banking app or internet bank.

To use our banking app

1. Download our banking app from your mobile device's app store.
2. Tap 'I have an account'.
3. Enter your customer number or account details.
4. Then, simply follow the instructions on screen, making sure you have your passnumber to hand.

To use our internet bank

1. Go to our internet bank log in page at **nationwide.co.uk**
2. Enter your customer number and date of birth.
3. Then, simply follow the steps on screen, making sure you have your passnumber to hand.

View or change your overdraft limit

- Sign into the internet bank, click on your relevant current account and select 'Overdrafts', or
- Sign into our banking app, select relevant current account and select 'Manage overdraft'
- Visit us in branch or give us a call.



Overdraft alerts

We automatically send you helpful overdrafts alerts that keep you in the loop about your borrowing. This includes when:

- You have scheduled payment(s) coming out that will take you into your arranged overdraft
- You have a scheduled payment that has taken you into your arranged overdraft
- You have a scheduled payment declined because there was not enough money in your account - but if you put money into it by 2.30pm, we'll retry the payment*
- You have a payment you've made that takes you over your overdraft limit. You can then pay enough money into your account to allow the payment to be taken.

* FlexOne, FlexStudent and FlexGraduate aren't automatically opted in to receive this alert. If you want to opt in to receive this alert, you will need to opt in at a branch or by phone.

How to opt out of automatic overdraft alerts

If you'd rather not receive some or all of these alerts, you can opt out at any time. Please be aware, if you choose not to receive these alerts, you may incur avoidable charges:

- Text STOP Arranged to 65037 to stop receiving messages about arranged overdrafts.
- Text STOP Unarranged to 65037 to stop receiving messages about unarranged overdrafts.
- Text STOP to 65180 to stop receiving payment retry alerts.

Or you can visit us in branch or contact us and we can opt you out.

Additional alerts

There are also additional alerts that you can register for to receive to help you manage your account. These are low balance alerts, high balance alerts and mini-statements.

How to opt in or opt out of additional alerts

In the banking app

- Go to 'profile and settings' and 'Communication settings' and then 'Balance alerts'.

In the internet bank

- Log in and register in 'Manage my details and settings'

Or you can call us on **03457 30 20 11** and we can help you opt in / opt out of these alerts.

There's more about alerts online at nationwide.co.uk/alerts

Help with money worries

Talking about money can be hard - but sharing your money worries with someone can be the first step to feeling more in control. If you're worried about your finances, we're here to help. And if you prefer to speak to someone else, free, independent advice is available.

Money and support organisations

Here are some trusted organisations who offer free, independent debt advice. They can help you understand your options and take the next step.

Organisation name	Phone number	Website
Money Wellness	0161 518 8285	moneywellness.com
StepChange	0800 138 1111	stepchange.org
PayPlan	0800 316 1833	payplan.com
Citizen's Advice England	0800 144 8848	citizensadvice.org.uk
Citizen's Advice Wales	0800 702 2020	citizensadvice.org.uk
Citizen's Advice Scotland	0800 028 1456	cas.org.uk
Advice NI Northern Ireland	0800 915 4604	adviceni.net
National Debtline	0808 808 4000	nationaldebtline.org

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.

Ask **in branch**

Visit **[nationwide.co.uk](https://www.nationwide.co.uk)**

Nationwide Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration no 106078.

You can confirm our registration on the FCA's website, **[fca.org.uk](https://www.fca.org.uk)**

Nationwide Building Society. Head Office: Nationwide House, Pipers Way, Swindon, Wiltshire SN38 1NW.

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