

# FlexStudent and FlexGraduate Summary of Changes

Everything you need to know about the upcoming changes to your account



## Get ready for new text alerts that help you stay in control of your money

We're introducing a new range of text alerts to help our members stay on top of any borrowing. You might notice that other providers will be doing this too – that's because it's part of a new regulation that's being brought about to make it easier to keep track of your money. So from **18 December 2019** (if not sooner), these texts will automatically let you know:

- A. When you enter your arranged overdraft, if you have one set up.
- B. If an upcoming payment will take you into an arranged overdraft you may have set up.
- C. When a payment hasn't gone through because there's not enough money in your account, and we'll try this same payment for a second time.
- D. When you go over an arranged overdraft you may have.

As well as these automatic text alerts, you can also set up some others. For example, if you'd like to be told when your balance reaches a certain amount chosen by you. It's a great way to keep an even closer eye on your balance and stay in control.

We can only keep you up to date like this if we have your latest mobile number – so please check that we have your current number through the Banking app or Internet Bank, or by visiting us in branch.

If you'd like to find out more about text alerts – including the ones you can set up yourself – just head over to [nationwide.co.uk/textalerts](https://nationwide.co.uk/textalerts)

### If you ever want to opt out

We hope you'll find these new texts a useful way to stay on top of what's going on with your account, but if there's ever a time when you'd rather not get them, just let us know. Text:

- **'STOP ARRANGED'** to **65037** for messages A and B
- **'STOP'** to **65180** for message C
- **'STOP UNARRANGED'** to **65037** for message D

## What happens to overdrafts once you move to another account

As you know, once you finish your degree, your FlexStudent account automatically moves onto a FlexGraduate account, which works in exactly the same way. When your FlexGraduate account comes to an end, you can move to either a FlexDirect, FlexPlus or FlexAccount – and if you have an overdraft when that time comes, the way it works will change.

At the moment, these accounts charge for overdrafts in slightly different ways. **But from 11 November 2019, all new and existing arranged overdrafts will be charged at 39.9% EAR/APR (variable)**. So, no matter which one you eventually move on to, there'll be a single overdraft rate on all arranged borrowing; making things clearer and easier to understand.

As well as this, unarranged overdrafts are no longer available on these accounts – just like with your existing account.

## What you need to do next

Whenever we make changes to our accounts and their Terms and Conditions that might affect you (such as our right to make changes in the future), we have to let you know what your options are. So if you're happy with all the changes we've described and are happy to carry on as you are, you don't need to do anything. Just keep on using your current account and on 11 November 2019, these changes will happen.

However, if, for any reason you'd rather close your account, you can do this. You'll just have to pay back any overdraft and charges you may have first. Or, if you prefer, you can switch to another provider. We're a member of CASS (Current Account Switch Service), which makes switching a straightforward process, and you may even be able to transfer any existing overdraft to your new provider if you use the service (but you'd need to check with them).



You can find out all you need to know about switching accounts at [currentaccountswitch.co.uk](http://currentaccountswitch.co.uk)

## Any questions?

If you've got any questions about our text alerts, you can discover more at [nationwide.co.uk/textalerts](http://nationwide.co.uk/textalerts). Plus, you'll find lots of useful tips on budgeting and saving for the future at [nationwide.co.uk/money](http://nationwide.co.uk/money)

Or if you'd rather chat with us in person about these changes, just pop into any branch and we'll be happy to help.

## Changes to your Terms and Conditions

We've also updated and changed some of the terms and conditions that apply to your account. In particular, we've made the following changes:

- We've updated the part of your terms which deals with our ability to make changes in the future. We've removed some of the reasons for making changes and we've given more detail around changes that we might make and the reasons we might make them. If you'd like to see them, they're set out at the end of this letter.
- We've made changes to reflect the new way we'll be charging for overdrafts. Although this won't affect you until you come to change accounts, it could be worth keeping on top of any borrowing now, to avoid being left with a lot of arranged overdraft to pay for when the time comes. But don't forget – the new text alerts are a great way to help you stay on top of your spending and avoid relying too heavily on overdrafts.
- This year, a new regulation comes in to help fight fraud and increase the security of online payments. The changes are called Strong Customer Authentication and the whole banking sector is making changes to be compliant with the regulation. You can find out more at [nationwide.co.uk/SCA](http://nationwide.co.uk/SCA)

We'll apply the changes to many online shopping transactions - and we'll need to apply them to the Internet Bank, too.

We've updated the payment authentication section of the terms to reflect the new Strong Customer Authentication requirements and to make it clear that you can authorise online payments using a combination of personal and card details, your log in details, biometric information, card readers, your mobile device and security codes.

We've also reminded you that you need to keep security codes (passcodes generated by the card reader and One Time Passcodes sent to you) safe and secure.

- We're a participant in the Open Banking initiative. Open Banking is the secure way to give Third Party Providers access to your financial information.

We're making changes to our terms to reflect how you can use the services of Third Party Providers. From 11 November 2019, you'll be able to use a Third Party Provider as long as they are a participant in the Open Banking initiative. You can find out more information about Open Banking at [openbanking.co.uk](http://openbanking.co.uk)

To explain this, we've updated the section titled 'Can I use a Third Party Provider?' contained within the 'How to use your account' part of your terms. We have also made changes throughout the terms to explain that a Third Party Provider, using the Open Banking initiative to provide their service, will not ask you to share your Internet Banking security details with them. You should not share this information with anyone.

The updated terms and conditions will take effect on 11 November 2019. If you'd like to look at the full terms and conditions for your account, you can find these at [nationwide.co.uk/downloads](http://nationwide.co.uk/downloads)

## Updated Terms and Conditions

We're removing sections 67 to 71 in the General Current Account Terms and Conditions and replacing them with the sections below.

62. Our agreement with you could last a long time, so we'll need to make changes to it from time to time. For example, we may need to:

- (a) introduce new charges or change existing charges, including charges for holding an account with us;
- (b) change interest rates we pay you, or that you pay us for an overdraft; or
- (c) change the terms of your agreement.

When making any changes we'll always act proportionately and responsibly in the broader interests of our members.

63. We can predict some of the reasons why we might need to make changes to this agreement. These are:
- (a) because of changes in costs for running our business or for providing new or existing services to you, including changes in costs of funding;  
These costs could include administrative costs, employment costs, building costs and technology costs, or changes in costs of a service or benefit provided by us or by anyone else. For example, if our operational costs increase we may allocate a proportion of these costs to our personal current account customers.
  - (b) due to changes in benchmark interest rates or other relevant market rates;  
For example, the Bank of England base rate could increase or decrease, which would have an impact on the interest rates we pay you and you pay us for an overdraft. This could lead to us increasing or decreasing our interest rates.
  - (c) because of developments in technology or in the way the banking industry generally delivers services;  
For example, to reflect advances in digital banking.
  - (d) to respond to changes, or reasonably anticipated changes, in the Law or codes of practice which apply to us or because of a decision by a court or ombudsman;  
For example, the Financial Ombudsman could make a ruling in relation to a particular customer which has a knock-on impact on our other customers, which may mean we need to change our terms and conditions.
  - (e) to meet regulatory requirements;  
For example, to reflect any changes in requirements or guidance from a Regulator or to make sure we can continue to meet existing requirements or guidance. This includes requirements affecting the reserves we have to hold.
  - (f) (if you have an overdraft with us), because information we have about you or that we get from credit reference agencies about the way you manage your account with us or other lenders, influences our view of your ability to repay any amounts you've borrowed, we may change the overdraft interest rates that you pay us and we may reduce your overdraft limit. Where you hold this or another account together with another person, the information may include information on that other person as well.  
For example, if you've failed to make all your payments to other lenders on time for a number of months, we may increase your overdraft interest rate.
64. However, because you might hold an account with us for a long time, we can't anticipate everything that might happen over this period. This means we may also need to make other changes. If we do, when we tell you about the change, we'll explain how it will affect you.
65. We can also adjust interest rates, our account charges, overdraft rates, or the way we structure what you pay for your everyday banking services with us, for any other valid reason which isn't outlined above.
66. If we want to make a change that's beneficial to you, we don't need a reason to make that change.