

Direction

To: Northern Bank Limited (the "firm")

Ref: 761895

Of: PO Box 183
Belfast
County Antrim
BT1 6JS

Date: 27 July 2007

Handbook Version as in force at the date of this Direction, except as otherwise stated

Introduction

1. The Office of Fair Trading ("**OFT**") has initiated an investigation into the fairness or otherwise of certain terms in current account agreements. In summary, these are terms providing for charges applied by a current account provider upon customers who seek to make payments for which they do not have available funds in the account and whose overdrafts have not been agreed by the provider in advance ("**unauthorised overdraft charges**"). Since then the number of complaints received by *firms* concerning the level, fairness or lawfulness of these charges under current account agreements (a "**relevant charges complaint**") has significantly increased, as has the number of complaints and claims regarding these charges taken to the Financial Ombudsman Service (the "**Ombudsman**") and to the courts. The *FSA* considers that it is desirable for there to be further clarity as to how these complaints should be handled fairly and consistently, by obtaining greater legal certainty or otherwise.
2. The OFT and certain banks have now announced an agreement to start legal proceedings in the High Court of England and Wales for a declaration to resolve legal uncertainties concerning the level, fairness and lawfulness of unauthorised overdraft charges (the "**test case**"). Those banks have also announced that they will seek a stay of all current and future court proceedings against themselves regarding these charges (a "**court stay**") and will request the *Ombudsman* not to proceed with consideration of the merits of the relevant charges complaints referred to him until the resolution of the test case.
3. In view of these developments, the *FSA* has given this direction to the firm with its consent.
4. *Guidance* in this document does not form part of the direction.

Power

5. This direction is given by the *FSA* under section 148 of the *Act*.

Duration

6. (1) This direction takes effect on 27 July 2007.
- (2) This direction ends on the earlier of:
 - (a) 26 July 2008; and
 - (b) resolution of the test case. For this purpose, resolution occurs when judgment has been entered and either cannot be appealed or has not been appealed in circumstances where the time for doing so has expired, or when proceedings are otherwise discontinued.

However, provisions of this direction that are expressed to continue beyond its termination continue in force in accordance with their terms.

7. *Guidance:*

- (1) The *FSA* intends to review the continued satisfaction of the criteria for giving this direction in section 148(4) of the *Act* two months after the date of this direction, with particular regard to whether:
 - (a) there is a stay of relevant proceedings in the courts of England and Wales, Scotland and Northern Ireland in materially all cases;
 - (b) the *Ombudsman* has concluded that he should not proceed to consider the merits of the relevant charges complaints referred to him in materially all cases until the resolution of the test case; and
 - (c) the firm is complying with the conditions set out in this direction.

If the *FSA* is no longer satisfied as to those criteria after two months, or at any time while this direction remains in force, the *FSA* would expect to exercise its power under section 148(9)(a) of the *Act* to revoke this direction in accordance with the procedure in *SUP* 8.8 (Revoking waivers).

- (2) The *FSA* would also expect to revoke this direction at any time if:
 - (a) without good reason, no material progress is made in the test case;
 - (b) the duration of the test case is likely to cause undue risk to consumers;
 - (c) a decision is made by the court on an element of the test case and is not subject to specific appeal by any of the relevant parties, where it would be appropriate for complaints of a certain description to proceed in accordance with the normal *rules* (in this case, the *FSA* would envisage replacing this direction with an equivalent direction excluding the element subject to the court decision); or

(d) the *FSA* is no longer satisfied that the test case covers all relevant legal issues necessary to enable the fair, consistent and prompt handling of relevant charges complaints after resolution of the test case.

(3) If the test case is not finally resolved within one year, and as long as the court stay is still in place, the *FSA* will extend this direction with the consent of the firm unless, in the light of prevailing circumstances, such an extension would be inappropriate.

Application

8. This direction is relevant to any complaint received by the firm that is a relevant charges complaint (as defined above).
9. *Guidance:* If the complaint relates also to other matters, including but not limited to disputed transactions, or financial hardship, this direction does not modify the firm's obligations to deal with the other matters in the usual way.

Rules modified

10. The *FSA* directs that the *rules* listed below apply to the firm with the modifications shown.

Rule	Modification
<i>DISP</i> 1.4.4R to <i>DISP</i> 1.4.12R, <i>DISP</i> 1.5.1R	<p>(1) Time is to be treated as not running in relation to relevant charges complaints for the duration of this direction. However, if the firm nonetheless attempts to resolve a relevant charges complaint after the date of this direction, time starts to run in relation to that complaint from the date the complaint was received and the <i>rules</i> shall apply to the complaint in the usual way.</p> <p>(2) Notwithstanding earlier termination of this direction, the firm must comply with the conditions in this direction until all relevant charges complaints that it has received, but not resolved whilst this direction remains in force, are resolved and for one year after that. In addition, the firm must continue to comply with condition 12(12) indefinitely.</p>
<i>DISP</i> 1.5.4R	The report must not contain information about relevant charges complaints unless the firm attempts to resolve them.

11. The *FSA* made amendments to its *rules* in *DISP* 1 on 28 June 2007 (Dispute Resolution: Complaints (Simplification and MiFID) Instrument 2007 (FSA 2007/38)). These will come into force on 1 November 2007. This direction is to be treated as modifying the

following rules in new *DISP* 1 so as to achieve the same effect: *DISP* 1.6.2R, *DISP* 1.6.5R, *DISP* 1.6.6R, *DISP* 1.9.1R, *DISP* 1.10.1R and *DISP* 1.10.2R.

Conditions

12. This direction is subject to the condition that the firm takes reasonable steps to ensure that complainants and potential complainants are not adversely affected to a material extent by this direction. This includes:

Communicating with customers:

- (1) when communicating with complainants, potential complainants and other customers about relevant charges complaints, the firm must do so in a way that is clear, fair and not misleading;
- (2) the firm must ensure that it publishes sufficient details to keep its customers, who have not complained or who have accepted a settlement, appropriately updated (on the firm's website or by other general means) on the grant of this direction, during the course of the test case and on conclusion of the test case, about the test case, this direction and their implications;
- (3) the firm must ensure that complainants with relevant charges complaints (including those making new complaints, those whose complaint has not been resolved as at the date of this direction and those who have received a final response within the six months prior to the date of this direction, but not including those who have settled or who have referred their case to the *Ombudsman*) are kept appropriately updated about the test case, this direction and their implications (by letter or electronic equivalent) on the grant of this direction, on resolution of the test case, and upon other significant developments and (by website or other general means) at other appropriate points. Initial communications about this direction must include the relevant text annexed to this direction;
- (4) in relation to complainants who have already received a redress offer (including an offer for goodwill payment) at the date of this direction but not yet accepted or rejected the offer, the firm must (unless the court or the *Ombudsman* directs otherwise in a case it is considering at the date of this direction):
 - (a) inform the complainant about the test case, this direction and their effects;
 - (b) take reasonable steps to ensure that the implications of accepting or rejecting that offer are communicated to the complainant before he commits himself to accepting or rejecting that offer;
 - (c) give the complainant two months within which to consider whether to accept or reject that offer with a clear explanation of the risks of each option; and
 - (d) honour that offer if it is accepted by the complainant;

Records:

- (5) the firm must, in respect of each relevant charges complaint referred to it after the date of this direction, keep a record of the complaint, the date it was received and the terms and dates of any subsequent communication with the complainant about the matter and must inform the customer that it has recorded the complaint for the purpose of complying with the conditions of this direction;
- (6) the firm must maintain and preserve current account and other records concerning customers that incur or may have incurred unauthorised overdraft charges (whether or not they have complained) that are (or could be) relevant for the handling of existing or future relevant charges complaints by the firm, the *Ombudsman*, the court or otherwise; these records must be maintained and preserved in a way which ensures that they are as easily and readily available for the period until this condition terminates as they are when this direction starts;

Cooperation:

- (7) if the firm is a party to the test case, then the firm must cooperate with the OFT and other parties to the test case and use reasonable endeavours to ensure that final resolution of the test case is achieved expeditiously;
- (8) if the firm is a party to the test case, then the firm must ensure that the test case considers a representative selection of the firm's relevant historic, current and (if due to be replaced) replacement terms and charges;
- (9) the firm must update the *FSA* regularly about its efforts and success (or otherwise) in obtaining (and maintaining) stays of relevant proceedings in the courts of England & Wales, Scotland and Northern Ireland;

Handling relevant charges complaints:

- (10) the firm must ensure a fair and intelligent filtering of cases in order to identify complaints or part of complaints that are not relevant charges complaints and progress them promptly in compliance with *DISP*;
- (11) the firm must ensure that relevant charges complaints that are not progressed as a result of this direction are dealt with effectively and swiftly once the outcome of the test case is known (or otherwise this direction ceases to have effect) and must liaise closely with the *FSA* in order to achieve this;
- (12) the firm must not take into account the period during which this direction is in place for the purposes of relying on any limitation period (or periods) or time limits within which complainants must:
 - (a) make relevant charges complaints;

- (b) refer relevant charges complaints to the *Ombudsman*; or
- (c) bring claims before the court;

and the firm must not otherwise limit any redress that may be due to the customer, when complying with *DISP* or otherwise, because of the period of time this direction is in place;

- (13) to the extent that sums are ultimately to be paid to complainants in respect of relevant charges complaints that have been stayed, the firm must include in these sums an element of compensation in respect of interest charged to or lost by the customer as a result of being out of money for the duration of this direction;
- (14) if the firm attempts to resolve a relevant charges complaint after the date of this direction (other than those described in condition 12(4)):
 - (a) the firm must not seek agreement from the complainant that the resolution is in full and final settlement of the matter;
 - (b) in relation to such complaints, if the outcome of the test case produces a result that is more favourable to the complainant, the firm must take all reasonable steps to pay any difference in the amount of compensation actually received by the complainant and that that the complainant would have been entitled if his claim has not been settled by the firm then; and
 - (c) the firm must explain the implications of its approach and commitment;
- (15) upon resolution of the test case, the firm must apply relevant principles established through such resolution in handling relevant charges complaints under *DISP* (even if the firm is not a party to the test case).

13. *Guidance:*

- (1) In accordance with its obligations under *SYSC* and other requirements, the firm should make records of relevant charges complaints available to the *FSA* on request, make preparations for dealing with them when this direction ends and update those preparations as the outcome of the test case becomes clearer.
- (2) Whilst this direction is in force, the firm has agreed with the *FSA* to have regard to its obligations under the general law and the Banking Code relating to relevant charges complaints. In particular, the firm has agreed with the *FSA* that it will not:
 - (a) make materially adverse changes in the level of its unauthorised overdraft charges (or in the ways that it applies such charges to its customers' accounts) which could amount to customer abuse; or

- (b) close accounts or threaten closure of accounts of customers for the purpose (or with the intent) of penalising customers that have complained about unauthorised overdraft charges for having complained, or deterring future complaints from these customers or others. For the avoidance of doubt, the firm may close accounts or threaten to close accounts where there is good justification for doing so based on the circumstances of the particular case.
- (3) The *FSA* encourages the firm to take steps to assess who it is charging, why and when, and thus what more it can do to help account holders avoid incurring unauthorised overdraft charges in the first place (whether or not they have complained). The firm is reminded of the commitment relating to financial hardship in the Banking Code.

Interpretation

- 14. Interpretative provisions (including definitions) of the *Handbook* apply to this direction in the same way as they apply to the *Handbook*.

Waivers Team
Financial Services Authority

DIRECTION ANNEX

Scenario 1: Complaint received by a bank – no case before FOS or Courts - no offer on the table.

We acknowledge receipt of your complaint about unauthorised overdraft bank charges. We believe that your complaint concerns the level, fairness or lawfulness of the charges. If it concerns something else, such as an administrative error, please let us know.

Although we believe the charges are fair, transparent and lawful, the banks have now become involved in legal proceedings with the Office of Fair Trading ("OFT") in relation to charges which we believe will resolve the legal issues regarding the fairness and legality of your charges.

It would be our normal approach to resolve your complaint through our internal complaints process as quickly as possible. However, until the determination of the legal issues in the above proceedings, we have asked the Financial Services Authority ("FSA") to suspend the normal timetable for dealing with unauthorised overdraft bank charges complaints, and the FSA has agreed to this request subject to conditions that protect your rights.

Given this court case we have also asked both the Financial Ombudsman Service ("FOS") and the Courts not to proceed with any other case they are hearing until the test case is resolved. FOS has indicated that as a general proposition it will indeed not proceed with cases which rely on the legal issues being considered in the test case. Similarly, you should be aware that if you choose to issue a claim in the Courts, [we will immediately apply to the Court for an order to stay your action until resolution of the banks' proceedings with the OFT].**

We are sorry that we have not been able to respond in full to your complaint now, but we (together with the FSA and the OFT) think that it is necessary to resolve the key legal issues before we decide how we should respond to your complaint. But we can assure you that once the legal proceedings are completed we will resolve your complaint as quickly as possible, applying the test case principles. If at that stage you do not agree with our conclusions you will of course be able to refer your case to the FOS (or to the courts).

Obviously exactly what will happen next will depend on the Courts. We do not know how long the case will take – we have promised to proceed as quickly as possible but inevitably given the importance of the issues being considered this may take many months to finally resolve.

We can assure you we have registered and stored your complaint. Please retain your bank records, as this will make it easier for you to support your complaint on resolution of the test case.

We will keep you updated appropriately about the proceedings with the OFT. You can also check the latest position on our website at [url].

The FSA requires us to ensure that your complaint will not be adversely affected by the delay in dealing with it. Customers for whom Scotland is the most likely jurisdiction should be particularly aware of the following:

1. You may choose to take your complaint or claim against us to either the FOS or the courts in Scotland.
2. Your right to refer your complaint to the FOS will not be affected. The FOS provides a convenient alternative to the Courts, and is free for consumers. However, as already explained, you should be aware that the FOS has, at our request, decided not to determine these complaints for the time being until the test case is resolved.
3. However, if you nonetheless wish to take your claim to the Courts in Scotland, you should be aware that the timing of when you raise a claim against us may be important. As such, you may wish to seek independent advice on filing a claim now to protect your rights (although you will have to pay a court fee). If you do this, you should be aware that the bank will immediately apply to the Court to put your action on hold until the resolution of the banks' legal proceedings with the OFT.

** The paragraph concerning court stays must reflect the settled position once known, and be appropriate to the jurisdiction (England & Wales, Scotland or Northern Ireland) most likely to be relevant to the customer.

To comply with DISP 1.4.1 (the FSA has not waived this rule), you must send this letter within 5 days of receipt of the complaint.

Scenario 2: No complaint yet received by a bank – customer has sought historic information.

[Banks may wish to write such letters slightly earlier in the process when customers write in for copy statements. In that case the letter would be similar to the letter in scenario 1 above (excluding paragraph 1), but would start as follows:]

You have asked for copies of your bank statements, which we assume is to enable you to reconcile your bank charges. We are happy to provide these to you [subject to a payment of a fee of £X]. [Or if fee paid] We enclose a copy of your statements as requested.

Should you decide to complain to us about unauthorised overdraft bank charges or refer your case to the Financial Ombudsman Service ("FOS") after making a complaint to us, we should make you aware of our current policy on handling complaints from customers about these charges.

Scenario 3: Complaint has been acknowledged by a bank though has not been progressed substantively – no case before FOS or Courts - no offer on the table.

[In that case the letter would be similar to the letter in scenario 1 above (excluding paragraphs 1 & 2), but would start as follows:]

We refer to your complaint on unauthorised overdraft bank charges. We believe that your complaint concerns the level, fairness or lawfulness of the charges. If it concerns something else, such as an administrative error, please let us know.

Although we believe the charges are fair, transparent and lawful, since we last wrote to you the banks have become involved in legal proceedings with the Office of Fair Trading ("OFT") in relation to the charges which we believe will resolve the legal issues regarding the fairness and legality of your charges.

Scenario 4: Complaint has been received by a bank – no case before FOS or Courts - offer on the table but not yet accepted.

We refer to your complaint about unauthorised overdraft bank charges. We wrote to you recently making you a goodwill offer in full and final settlement of your complaint about these charges.

Although we believe the charges are fair, transparent and lawful, since we last wrote to you the banks have become involved in legal proceedings with the Office of Fair Trading ("OFT") in relation to the charges which we believe will resolve the legal issues regarding the fairness and legality of your charges.

We have asked the Financial Services Authority ("FSA") to suspend the normal timetable for dealing with unauthorised overdraft bank charges complaints, and the FSA has agreed to this request subject to conditions that protect your rights.

Given this court case we have also asked both the Financial Ombudsman Service ("FOS") and the Courts not to proceed with any other case they are hearing until the test case is resolved. FOS has indicated that as a general proposition it will indeed not proceed with cases which rely on the legal issues being considered in the test case. Similarly, you should be aware that if you choose to issue a claim in the Courts, [we will immediately apply to the Court for an order to stay your action until resolution of the banks' proceedings with the OFT].**

However, the goodwill offer the bank made to you still stands and you can accept or reject this offer. If you decide to take up this offer, you must contact us within 2 months from the date of this letter. You should be aware that if you accept this offer, this will be in "full and final" settlement of your complaint. This means that it is unlikely you would be awarded a further sum even if the test case indicated that you could be entitled to a potentially larger amount. Though this does not preclude you asking for repayment of any future charges if the court finds they are unlawful.

If we do not hear from you within the specified 2 months, we will assume that you have decided to reject this offer and await the outcome of the legal proceedings with the OFT. This means that the bank's offer will expire (i.e. can no longer be accepted by you) and we will reconsider your complaint once the test case is resolved. We can assure you (in that instance) we have registered and stored your complaint.

We can assure you that, if you do not accept our offer, once the legal proceedings are completed we will resolve your complaint as quickly as possible, applying the test case principles. This may produce a larger or smaller figure when compared with the current offer. If at that stage you do not agree with our conclusions you will of course be able to refer your case to the FOS (or to the courts).

Obviously exactly what will happen next will depend on the Courts. We do not know how long the case will take – we have promised to proceed as quickly as possible but inevitably given the importance of the issues being considered this may take many months to finally resolve.

Please retain your bank records, as this will make it easier for you to support your complaint on resolution of the test case.

We will keep you updated appropriately about the proceedings with the OFT. You can also check the latest position on our website at [url].

The FSA requires us to ensure that your complaint will not be adversely affected by the delay in dealing with it. Customers for whom Scotland is the most likely jurisdiction should be particularly aware of the following:

1. You may choose to take your complaint or claim against us to either the FOS or the Courts in Scotland.
2. Your right to refer your complaint to the FOS will not be affected. The FOS provides a convenient alternative to the Courts, and is free for consumers. However, as already explained, you should be aware that the FOS has, at our request, decided not to determine these complaints for the time being until the test case is resolved.
3. However, if you nonetheless wish to take your claim to the Courts in Scotland, you should be aware that the timing of when you raise a claim against us may be important. As such, you may wish to seek independent advice on filing a claim now to protect your rights (although you will have to pay a court fee). If you do this, you should be aware that the bank will immediately apply to the Court to put your action on hold until the resolution of the banks' legal proceedings with the OFT.

** The paragraph concerning court stays must reflect the settled position once known, and be appropriate to the jurisdiction (England & Wales, Scotland or Northern Ireland) most likely to be relevant to the customer.

Scenario 5: Complaint has been received by a bank – no case before FOS or Courts - a final response has been made though does not contain a monetary offer.

We refer to your complaint about unauthorised overdraft bank charges. We wrote to you recently with our final response about your complaint about your bank charges.

Although we believe the charges are fair, transparent and lawful, since we last wrote to you the banks have become involved in legal proceedings with the Office of Fair Trading ("OFT") in relation to the charges which we believe will resolve the legal issues regarding the fairness and legality of your charges.

We have asked the Financial Services Authority ("FSA") to suspend the normal timetable for dealing with bank charges complaints, and the FSA has agreed to this request subject to conditions that protect your rights.

Given this court case we have also asked both the Financial Ombudsman Service ("FOS") and the Courts not to proceed with any other case they are hearing until the test case is resolved. FOS has indicated that as a general proposition it will indeed not proceed with cases which rely on the legal issues being considered in the test case. Similarly, you should be aware that if you choose to issue a claim in the Courts, [we will immediately apply to the Court for an order to stay your action until resolution of the banks' proceedings with the OFT].**

We are sorry that we have not been able to respond in full to your complaint now, but we (together with the FSA and the OFT) think that it is necessary to resolve the key legal issues before we decide how we should respond to your complaint. But we can assure you that once the legal proceedings are completed we will resolve your complaint as quickly as possible, applying the test case principles. This may generate a different outcome to the one communicated to you in our final response. If at that stage you do not agree with our conclusions you will of course be able to refer your case to the FOS (or to the courts).

Obviously exactly what will happen next will depend on the Courts. We do not know how long the case will take – we have promised to proceed as quickly as possible but inevitably given the importance of the issues being considered this may take many months to finally resolve.

We can assure you we have registered and stored your complaint. Please retain your bank records, as this will make it easier for you to support your complaint on resolution of the test case.

We will keep you updated appropriately about the proceedings with the OFT. You can also check the latest position on our website at [url].

The FSA requires us to ensure that your complaint will not be adversely affected by the delay in dealing with it. Customers for whom Scotland is the most likely jurisdiction should be particularly aware of the following:

1. You may choose to take your complaint or claim against us to either the FOS or the Courts in Scotland.

2. Your right to refer your complaint to the FOS will not be affected. The FOS provides a convenient alternative to the Courts, and is free for consumers. However, as already explained, you should be aware that the FOS has, at our request, decided not to determine these complaints for the time being until the test case is resolved.
3. However, if you nonetheless wish to take your claim to the Courts in Scotland, you should be aware that the timing of when you raise a claim against us may be important. As such, you may wish to seek independent advice on filing a claim now to protect your rights (although you will have to pay a court fee). If you do this, you should be aware that the bank will immediately apply to the Court to put your action on hold until the resolution of the banks' legal proceedings with the OFT.

** The paragraph concerning court stays must reflect the settled position once known, and be appropriate to the jurisdiction (England & Wales, Scotland or Northern Ireland) most likely to be relevant to the customer.

Scenario 6

Case pending before FOS: no offer has been made (FOS to issue)

Scenario 7

Case pending before FOS: offer made but not yet accepted (FOS to issue)

Scenario 8: Case pending before Courts: no offer has been made

You have referred your complaint about unauthorised overdraft bank charges for determination in Court.

Although we believe the charges are fair, transparent and lawful, since you filed your claim in Court the banks have become involved in legal proceedings with the Office of Fair Trading ("OFT") in relation to the charges which we believe will resolve the legal issues regarding the fairness and legality of your charges.

We have asked the Financial Services Authority ("FSA") to suspend the normal timetable for dealing with bank charges complaints, and the FSA has agreed to this request subject to conditions that protect your rights.

Given this court case we have also asked both the Financial Ombudsman Service ("FOS") and the Courts not to proceed with any other case they are hearing until the test case is resolved. FOS has indicated that as a general proposition it will indeed not proceed with cases which rely on the legal issues being considered in the test case. Similarly, you should be aware that if you choose to issue a claim in the Courts, [we will immediately apply to the Court for an order to stay your action until resolution of the banks' proceedings with the OFT].**

Once the legal proceedings between the OFT and the banks finish, we will resolve your complaint as quickly as possible, applying the test case principles.

We can assure you we have registered and stored your complaint. Please retain your bank records, as this will make it easier for you to support your complaint on resolution of the test case.

We will keep you updated appropriately about the proceedings with the OFT. You can also check the latest position on our website at [url].

As a general matter, we will ensure that your claim will not be adversely affected by the stay of your court proceedings.

** The paragraph concerning court stays must reflect the settled position once known, and be appropriate to the jurisdiction (England & Wales, Scotland or Northern Ireland) most likely to be relevant to the customer.

Scenario 9: Case pending before Courts: offer made but not yet accepted

Your case in relation to unauthorised overdraft bank charges is currently pending before the Court.

We wrote to you recently to make you a goodwill offer as full and final settlement in relation to your complaint about your charges.

Although we believe the charges are fair, transparent and lawful, since we last wrote to you the banks have become involved in legal proceedings with the Office of Fair Trading ("OFT") in relation to the charges which we believe will resolve the legal issues regarding the fairness and legality of your charges.

We have asked the Financial Services Authority ("FSA") to suspend the normal timetable for dealing with bank charges complaints, and the FSA has agreed to this request subject to conditions that protect your rights.

Given this court case we have also asked both the Financial Ombudsman Service ("FOS") and the Courts not to proceed with any other case they are hearing until the test case is resolved. FOS has indicated that as a general proposition it will indeed not proceed with cases which rely on the legal issues being considered in the test case. Similarly, you should be aware that if you choose to issue a claim in the Courts, [we will immediately apply to the Court for an order to stay your action until resolution of the banks' proceedings with the OFT].**

However, the goodwill offer the bank made to you still stands and you can accept or reject this offer. If you decide to take up this offer, you must contact us within 2 months from the date of this letter. You should be aware that if you accept this offer, this will be in "full and final" settlement of your complaint. This means that it is unlikely you would be awarded a further sum even if the test case indicated that you could be entitled to a potentially larger amount. Though this does not preclude you asking for repayment of any future charges if the court finds they are unlawful.

Once the legal proceedings between the OFT and the banks finish, we will resolve your complaint as quickly as possible applying the test case principles, which may generate a larger or smaller figure when compared with the current offer.

We can assure you we have registered and stored your complaint. Please retain your bank records, as this will make it easier for you to support your complaint on resolution of the test case.

We will keep you updated appropriately in respect of the proceedings with the OFT. You can also check the latest position on our website at [url].

As a general matter, we will ensure that your claim will not be adversely affected by the stay of your court proceedings.

** The paragraph concerning court stays must reflect the settled position once known, and be appropriate to the jurisdiction (England & Wales, Scotland or Northern Ireland) most likely to be relevant to the customer.