

Code of Practice



Investment Guide



Our Commitment to Savers and Depositors

We promise we will treat you fairly and reasonably when providing you with all products and services covered in this Code. We will keep this promise by meeting all of the key commitments shown below.

We will:

- *make sure that our advertising and promotional literature is clear and not misleading and that you are given clear information about our products and services;*
- *give you clear information about accounts and services, how they work, their terms and conditions and the interest rates which may apply;*
- *help you to use your account or service by sending you regular statements (where appropriate) and we will keep you informed about changes to the interest rates, charges or terms and conditions;*
- *treat all your personal information as private and confidential and provide secure and reliable banking and payment systems;*
- *provide new members with a copy of this Code on account opening, have copies available within our Branches and make sure that our staff are trained to put it into practice.*

To meet these promises we will, as a minimum, take the steps and meet the standards set out in the rest of this Code.

CHOOSING PRODUCTS AND SERVICES THAT MEET YOUR NEEDS

Before you open an account with the Society we will:

- *give you clear information explaining the main features of the services and products you tell us you are interested in;*
- *provide you with our Investment Rate leaflet as part of our pre-sale material which includes a summary of the key features of each of our savings accounts;*
- *give you information on a single product or service, if you have already made up your mind;*
- *tell you what information we need from you to prove your identity (by law we have to check your identity).*

We will tell you if we offer products and services in more than one way (for example, on the internet, over the phone, in branches and so on) and tell you how to find out more about them.

Once you have chosen an account or service we will tell you how it works. When you open a joint account, we will give you extra information on your rights and responsibilities.

Personal customers are protected by the European Distance Marketing Directive (DMD) in relation to taking deposits. This gives you rights when opening savings and deposit accounts and using these types of account to do financial services business at a distance (usually by post, over the phone or electronically).

Generally, the major types of protection are:

- *detailed information before you commit to a contract;*
- *a right to cancel the account within 14 days of opening.*

INTEREST RATES

You can find out about our interest rates by:

- *phoning your local branch or the Head Office;*
- *looking at our website – www.harpendenbs.co.uk;*
- *looking at the notices in our branches;*
- *asking our staff.*

When you become a customer we will give you information on the interest rates which apply to your accounts, and when we will pay interest to you. We will also tell you about our website address, our phone numbers and the other ways you can find out about changes in interest rates on your accounts.

If you ask us we will also give you a full explanation of how we work out interest.

Changes in interest rates

We will keep you informed about changes to the interest rates on your accounts and we will tell you about the ways we will do this.

When we change the interest rates on your accounts we will update information on our website within three working days. To help you compare rates the old rate will also be available on our website or by calling one of our branches.

Interest on savings accounts

To help you compare interest rates on all our savings accounts more easily, at least once a year we will send you a summary of these products and their current interest rates unless your account has less than £100 in it. This summary will also include:

- *accounts that are no longer available;*
- *details of how you can find out about the current interest rates that apply to your accounts.*

This summary does not have to be sent to holders of fixed rate or fixed term accounts.

We will also tell you the different interest rates which have applied to your account during the year and any changes in the Bank of England base rate (unless we have already told you personally about these or if your account has less than £100 in it).

If you have a variable-rate savings account with £250 or more in it and the interest rate has fallen significantly compared to the Bank of England base rate, we will contact you within a reasonable period of time to;

- *tell you this has happened;*
- *tell you about our other savings accounts and offer to help you switch to one of these accounts if you want to;*
- *tell you that you can withdraw all the money in your account;*
- *give you a reasonable period of time to switch to another account or withdraw the money without any notice period or any charges.*

CHARGES

When you open an account we will give you details of any charges for the day-to-day running of the account you have chosen.

You can also find out about these charges by phoning our branches, looking on our website or asking our staff.

If we increase any of these charges or introduce a new charge we will tell you personally at least 30 days before the change comes into force.

We will tell you the charge for any other service or product before we provide that service or product, and whenever you ask.

TERMS AND CONDITIONS

When you open an account or accept a product for the first time we will give you any relevant terms and conditions for the product you have asked us to provide.

All written terms and conditions will be fair and will set out your rights and responsibilities clearly and in plain language. We will only use legal or technical language if necessary.

Changes to terms and conditions

When you open an account we will tell you how we will let you know about changes to terms and conditions.

If the change is to your disadvantage we will tell you about it personally at least 30 days before we make the change. At any time up to 60 days from the date of the notice you may, without notice,

switch your account or close it without having to pay any extra charges or interest for doing this.

We may make any other changes immediately and tell you about it within 30 days. If we have made a major change or a lot of minor changes in any one year we will give you a copy of the new terms and conditions or a summary of the changes.

CHANGING YOUR ACCOUNT

Cooling off

If you are not happy about your choice of savings account or Cash ISA you may cancel it within 14 days of the day you enter into the contract, or 14 days after you receive the terms and conditions, whichever is later.

We will help you to switch to another of our accounts or we will give you all your money back with any interest it has earned. We will ignore any notice period and any extra charges.

This does not apply to a fixed rate account (except a Cash ISA).

Closing your account

Under normal circumstances we will not close your account without giving you at least 30 days' notice. Examples of circumstances which are not 'normal' include threatening or abusive behaviour towards staff.

We will not close your account, or threaten to do so, as a response to a valid complaint you have made.

If we plan to close or move your branch we will tell you at least 12 weeks beforehand. We will

also tell you how we will continue to provide banking services to you.

ADVERTISING AND MARKETING

We will make sure that all advertising and promotional material is clear, fair, reasonable and not misleading.

Unless you specifically give your permission, or ask us to, we will not pass your name and address to any company, including other companies in our group, for marketing purposes.

We will take care to send you appropriate marketing material if you are under 18.

We may tell you about another company's services or products. If you agree, that company may contact you directly.

When you open an account we will give you the opportunity to say that you do not want us to contact you for marketing purposes. At least once every three years we will remind you that you can do this.

RUNNING YOUR ACCOUNT

Statements

To help you manage your account and check entries on it we will give you regular account statements unless this is not appropriate for the type of account you have (such as an account with a passbook).

We will normally give you a statement at least once a year. We would be pleased to offer you an account statement on an ad hoc basis, but there may be a charge for this service.

Clearing payments

We will tell you about how automated payments clear, including those made over the phone, using online banking or by standing order. We will tell you when you can withdraw money after it has been paid into your account and when you will start to earn interest. We will do this when you open your account and whenever you ask us.

We will tell you the maximum timescales for each stage of the process for clearing cheques you pay in or whether we offer a quicker service. We will tell you when you will start to earn interest on the money, when you can withdraw the funds and when you can be certain that the money is yours. We will do this when you open your account and whenever you ask.

Cheques

We will tell you how we deal with unpaid cheques paid into your account and out of date cheques issued from your account.

Protecting your accounts

We will tell you what you can do to help protect your accounts. You can find out more about what you can do to help further on in this leaflet.

If you tell us that your passbook or card has been lost or stolen, or that someone else knows your PIN or other security information, we will take immediate steps to try to prevent these from being used.

Dormant accounts, lost accounts and unclaimed assets

If you have money in a dormant account or lost

account it will always be your property (or if you die, it will become part of your estate). This is the case no matter how many years pass.

If you ask us, we will tell you how to access these accounts directly or through the free central tracing service online at www.mylostaccount.org.uk. This is run by the British Bankers' Association, the Building Societies Association and the National Savings & Investment dormant or lost account schemes.

If we subscribe to the unclaimed assets scheme, we will tell you about the introduction of the scheme as part of our existing correspondence with you, and will remind you every three years.

The unclaimed assets scheme will apply if you have not been in touch with us or have not made a transaction on your savings account for more than 15 years. This will not affect your right to access the money in your account. You can find out our policy for checking whether accounts are unclaimed by:

- *looking on our website;*
- *telephoning us;*
- *asking our staff.*

(The unclaimed assets scheme is scheduled to be introduced during 2009.)

CARDS AND PINS

General features of cards

We will only send you a card if you ask for one or to replace a card you already have.

If you do not recognise a card transaction which appears on your statement or in your passbook we will give you more details if you ask us. In some

cases we will need you to give us confirmation or evidence that you have not authorised a transaction.

PINs

We will give you your PIN (personal identification number) separately from your card. We will not make your PIN known to anyone else.

We will tell you about our systems which allow you to choose and change your PIN. This should make it easier for you to remember.

We will tell you about alternatives to 'chip and PIN', which are available if you are unable to use a PIN because of a disability or medical condition.

Prepaid cards

Before you apply for or buy a prepaid card we will give you a summary box explaining the main features of the card.

When you apply for or buy a prepaid card we will tell you how it works and give you the terms and conditions.

YOUR PERSONAL INFORMATION

Confidentiality

We will treat all your information as private and confidential (even when you no longer hold an account).

We will not make your name and address or details about your accounts known to anyone, other than in the following four exceptional cases when we are allowed to do this by law.

- *If we have to give the information by law.*
- *If there is a duty to the public to make the information known.*
- *If our interests mean we must give the information (for example, to prevent fraud). However, we will not use this as a reason for giving information about you or your accounts for marketing purposes.*
- *If you ask us to make the information known, or if we have your permission.*

Financial references

If we are asked to give a financial reference about you, we will need your written permission before we give it.

Data Protection

We will explain to you that, under the Data Protection Act, you have the right to see the personal records we hold about you.

We will tell you if we record your telephone conversations with us.

PROTECTING YOUR ACCOUNTS

Secure and reliable banking and payment systems

We will co-operate with other organisations in the banking industry to provide secure and reliable banking and payment systems you can trust.

The rest of this section is all about what you can do to help prevent your accounts from being misused.

Keeping us up to date

Please make sure you let us know as soon as possible when you change your:

- *name;*
- *address;*
- *phone number.*

If we do not hold correct information we may make your account dormant to protect us both.

Checking your account

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 so that we can sort it out. Regularly checking standing orders into your account will help you to be sure that money you are expecting has been received.

If we need to investigate a transaction on your account you should co-operate with us and the police if we need to involve them.

Taking Care

Taking care of your passbook, cards, PINs and other security information issued by us is essential to help prevent fraud and protect your accounts. Please make sure that you follow the advice given below:

- *Do not let anyone else use your passbook or card, and do not tell anyone else your PIN, password or other security information.*
- *We will never ask you to tell us your PIN. If you are in any doubt about whether a caller is genuine, or if you are suspicious about them, take their details and call us.*

- *If you change your PIN, you should choose your new PIN carefully.*
- *Try to remember your PIN, password and other security information, and securely destroy the notice as soon as you receive it.*
- *Never write down your PIN, password, or other security information.*
- *Always take reasonable steps to keep your card or passbook safe and your PIN, password or other security information secret at all times.*
- *If our card issuer takes part in a secure online payment system (such as Verified by Visa or MasterCard SecureCode), consider signing up either at their website or whenever you are given the option while shopping online. This involves you registering a password with our card company, which you will be asked whenever you shop at an online retailer taking part in the scheme. You should keep this password secret.*
- *Never give your account details or other security information to anyone unless you know who they are and why they need them.*
- *Keep your card receipts and other information about your account containing personal details (for example: passbooks) safe and get rid of them carefully.*
- *Take care when storing or getting rid of information about your accounts. People who commit fraud use many methods, such as 'bin raiding', to get this type of information. You should take simple steps such as shredding printed material.*
- *Be aware that your post is valuable information in the wrong hands. If you don't receive your passbook, statements, or any other expected financial information, contact us.*

- *You will find the APACS website www.cardwatch.org.uk a helpful guide on what to do if you suspect fraud.*

When paying a cheque into an account with the Society, it will help to prevent fraud if you clearly write the name of the person whose account you are paying the cheque into and put any extra information about them on the cheque, especially if you are not personally paying a cheque in (for example, because you are sending a cheque by post).

When you write a cheque, do not simply make the cheque payable to us. Add further details in the payee line (e.g. Harpenden Building Society - J. S. Smith). You should draw a line through any space you don't use on the cheque so unauthorised people cannot add extra numbers or names. Your cheque is likely to be returned to you if you make it payable simply to the Harpenden Building Society.

What to do if you lose your passbook, cheque issued by us, card or if someone else knows your PIN

It is essential that you tell us as soon as you can if you suspect or discover that your passbook, a cheque issued from your account, or your card, has been lost or stolen, or if you discover that someone else knows your PIN, password or any other security information.

The best way of telling us will usually be by phone so that we can place a restriction on your account. We will then forward to you the necessary paperwork to complete to allow us to cancel the existing passbook, cheque or card and to re-issue

you with a new passbook, cheque or card in order to protect your savings.

Online banking

Online banking is safe and convenient as long as you take a number of simple precautions. Please make sure you follow the advice given below.

- *Keep your PC secure. Use up-to-date anti-virus and spyware software and a personal firewall.*
- *Keep your passwords and PIN secret.*
- *We (or the police) will never contact you to ask you for your online banking or payment card PINs, or your password information.*
- *Treat e-mails you receive from senders claiming to be from the building society with caution and be wary of e-mails or calls asking you for any personal security details.*
- *Always access internet banking sites by typing our website address into your web browser. Never go to our site from a link in an e-mail and then enter personal details.*
- *Follow our advice – our websites are usually a good place to get help and guidance on how to stay safe online.*
- *Visit www.banksafeonline.org.uk for useful information.*

Liability for losses

If you act fraudulently you will be responsible for all losses on your account. If you act without reasonable care, and this causes losses, you may be responsible for them.

Unless we can show that you have acted fraudulently or without reasonable care, your

liability for your card being misused will be limited as follows.

- *If someone else uses your card before you tell us it has been lost or stolen or that someone else knows your PIN, the most you will have to pay is £50.*
- *If someone else uses your card details without your permission, and your card has not been lost or stolen, you will not have to pay anything.*
- *If someone else uses your card details without your permission for a transaction where the cardholder does not need to be present (for example, buying something over the internet), you will not have to pay anything.*
- *If your card is used before you have received it, you will not have to pay anything.*

Unless you have acted fraudulently or without reasonable care (for example not following the advice given under the heading – Online banking), you will not be liable for losses caused by someone else which take place through our online banking service.

COMPLAINTS

If you have a complaint

Harpenden Building Society aims to offer a first class customer service. If at any time you do have reason to complain we obviously want to hear about it. These are our procedures for handling complaints fairly, effectively, consistently and promptly and they follow the guidelines of the Financial Services Authority.

In the first instance your complaint should be lodged either by:

- **calling** into any branch;
- **phoning** your branch and speaking to the Office Manager;
- **writing** to your branch;
- **emailing us at** enquiries@harpendenbs.co.uk.

We will do all we can to resolve your complaint by the end of the next business day. If we can't do this we'll write to you within five working days to tell you what we've done to resolve the problem or acknowledge your complaint and let you know when you can expect a full response. We will also let you know the name and contact details of the person dealing with your complaint.

What if you are not happy with our response?

Our aim is that your complaint should be resolved as quickly as possible by members of staff that have the right experience, knowledge and authority. However if you are not satisfied with our action or explanation you can ask for your case to be referred to: Head of Operations, Aberdeen House, 14-16 Station Road, Harpenden, AL5 4SE.

Final Response

In the unlikely event we cannot reach agreement with you within eight weeks from the date you first raised your complaint, or if we write to you to request more time to investigate and you do not wish to wait any longer, or if you are dissatisfied with our response, you can ask the Financial Ombudsman Service for an independent review.

The Financial Ombudsman Service will only consider your complaint once you have tried to resolve it with us, so please contact us with your concerns first and we will do all we can to help.

Contacting the Financial Ombudsman Service

The Financial Ombudsman Service (FOS) is a free, independent service which might be able to settle a complaint between you and the building society. You can take your complaint to the FOS if you are not satisfied with our efforts to deal with it or if we have not completed our investigations within eight weeks of your complaint. The contact details of the FOS are as follows:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Phone: 0845 080 1800

Web: www.financial-ombudsman.org.uk

Monitoring

We have a 'Code Compliance Officer' and our own auditing procedures make sure we meet our Code of Practice.

FURTHER INFORMATION

Building Societies Association

You can get more information, leaflets and facts sheets on a range of banking matters from the Building Societies Association (BSA).

The contact details for the BSA are as follows:

The Building Societies Association
6th Floor, York House
23 Kingsway
London WC2B 6UJ

Phone: 0207 437 06555

Fax: 0207 734 6416

Website: www.bsa.org.uk

Financial Services Compensation Scheme

We are part of the Financial Services Compensation Scheme (FSCS) set up under the Financial Services and Markets Act 2000. The FSCS pays compensation if an authorised firm cannot pay claims against it. The scheme is governed by FSA rules. For more details on the scheme, go to the FSCS website at www.fscs.org.uk or phone 0207 892 7300.

Dormant and lost savings

You can make searches for dormant accounts and lost savings, including those falling within the unclaimed assts scheme, online at www.mylostaccount.org.uk, or you can get copies of the claim forms for dormant accounts and lost savings, including unclaimed assets from the Building Societies Association listed above, or for tracing funds with banks, write to the British Bankers' Association at BBA Dormant Accounts, Pinners Hall, 105-108 Old Broad Street, London, EC2N 1EX. Or phone 0207 216 8909 or download a copy from the website www.bba.org.uk.



Mixed Sources

Product group from well-managed forests, controlled sources and recycled wood or fibre

Cert no. SA-COC-001831
www.fsc.org

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