

Getting in touch

Got a question?

Customer Services

0345 111 8020

Monday to Friday 8am to 8pm, Saturday 9am to 4pm, Sunday 10am to 1pm.

Struggling with your payments?

Payment difficulties

0800 923 1547

Monday to Friday 8am to 8pm, Saturday 9am to 4pm, Sunday 10am to 1pm.

Special requirements

We can provide documents in large print and Braille. Please call the team on 0345 111 8020 for more information.

You can also call us via our Text Relay (Next Generation Text) service for general enquiries. Please call **18001 0345 111 8020** to use this service.

Telephone calls to numbers starting 03 are charged at local rates from landlines and mobiles.
Telephone calls to numbers starting 08 are free from landlines and mobiles. All calls will be recorded for security purposes and monitored for quality control procedures.

Sainsbury's
Bank



Sainsbury's Bank plc
Buy To Let Mortgage Conditions 2018

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Introduction

Here are the **Terms** which apply to **your Loan** with Sainsbury's Bank plc. This is part of **your** legal agreement with **us**.

Please read these Terms, your Offer and any other documents we have provided to you carefully and make sure you understand them before you take out the Loan as your property may be repossessed if you do not keep up repayments on your Loan.

At Sainsbury's Bank plc **we** want to make everything as simple as possible and easy to understand. **We** try to avoid using technical language. However, if **you** have any questions about **your Loan** and how it operates please speak to your **legal** adviser.

These **Terms** are made up of 4 parts.

Part 1 (Loan Terms) This, along with **your Offer**, sets out the **Terms** which apply to the money that **we** have lent to **you**, including how it will be repaid, how **we** will charge **you** interest, when **you** may have to pay **our** charges and how and when **we** can change **Interest Rates** and charges.

Part 2 (Mortgage Terms) This sets out the **Terms** applicable to the security **we** have taken over **your Property** (this security is the mortgage), including **your** obligations in relation to looking after the **Property** and what **we** or any receiver can do if **you** do not make the payments or keep to **your** other obligations under these **Terms** and the **Offer**.

Part 3 (General Terms) This sets out some general **Terms** applicable to the relationship between **you** and **us**.

Part 4 (Standard Conditions – Scotland only) This sets out a summary of certain conditions which apply if **your Property** is located in Scotland.

If any of these **Terms** conflict with **your Offer**, then the **Terms** of **your Offer** will apply and take priority.

If at any time more than one **Loan** is owed by **you** under the mortgage, **Terms** 1 to 4 and **Term** 8 of the **Terms** apply to each **Loan** separately.

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Summary of Key Terms

We have set out a summary of some of the key **Terms** below. It's a summary only. It's important that **you** read and consider all of the **Terms** along with **your Offer** and any other documents **we** have provided to **you**.

Term	Summary
Monthly payments	<p>It's important that you pay the monthly payments set out in your Offer to us (or any changed monthly payments which apply under these Terms) on time.</p> <p>If your Loan is made on a 'repayment' basis, your monthly payments will consist of repayments of Capital and interest.</p> <p>If your Loan is made on an 'interest only' basis, your monthly payments will only consist of interest and you will still have to repay all of the Capital at the end of the mortgage term. It is very important that you make arrangements to repay the Capital and regularly check that these arrangements remain suitable to ensure that you are able to repay the Capital at the end of your mortgage term.</p> <p>If your Loan is made on a part 'interest only' and part 'repayment' basis, your monthly payments will consist of part interest and part repayments of Capital and interest. It's very important that you make arrangements to repay any remaining amount of Capital at the end of the term and regularly check that these arrangements remain suitable to ensure you are able to repay the Capital at the end of the term.</p> <p>If you don't repay the Capital at the end of the term, we may take legal action against you which might mean that we repossess and sell the Property.</p>
Joint borrowers	<p>If you are borrowing jointly with someone, all of you together and each of you individually, are liable for the full amount owing under the Loan. This means that we can pursue the full amount owing against each of you individually.</p>
Interest	<p>We will charge you interest on the amount that you have borrowed at the Interest Rate set out in your Offer. The Interest Rate may be a fixed rate, a tracker rate or a variable rate.</p> <p>Unless your Offer states that your Interest Rate is fixed or tracks an externally set rate (such as Bank of England Base Rate), we can vary the Interest Rate for any of the reasons set out in Term 5 of your Loan Terms. Please make sure that you have considered these reasons and understand that the amount you pay will increase if we increase the Interest Rate and we will increase your monthly payments to recover the extra interest. If we reduce the Interest Rate, we will reduce your monthly payment.</p> <p>If your Offer states that your Interest Rate will track an externally set rate, the Interest Rate you pay will vary in line with changes to the external rate. The overall cost of your mortgage will go up if the external rate goes up. We will increase your monthly payments to recover the extra interest. If the Interest Rate goes down, we will reduce your monthly payments, except that your Interest Rate will not go below 0% even if the external rate does so.</p> <p>It's important that you can afford to make your monthly payments if your Interest Rate goes up.</p>

Early repayment	<p>You can repay your Loan in full or in part at any time. You may have to pay an early repayment charge and other charges if you repay some or all of your Loan before the end of the mortgage term. The details of any early repayment charges are set out in your Offer.</p>
Immediate repayment	<p>In certain circumstances we can ask you to repay the Outstanding Balance immediately (for example if you fail to pay an amount equal to at least two monthly payments or if you commit a material breach of one of your other obligations). The full set of circumstances in which we may do this are set out in Term 6.1 of your Loan Terms.</p> <p>Please make sure that you understand when we may ask you to repay your Outstanding Balance immediately because, if we do this and the money isn't paid, we could take further action against you including, if necessary, asking the Court to make an order allowing us to repossess and sell your Property and/or appointing a receiver in England and Wales or Northern Ireland to collect rent, manage the Property and sell the Property.</p>
Charges	<p>There are certain services that we can charge you for in relation to the Loan, in addition if we incur costs because you don't meet your obligations we can charge you for these.</p> <p>We have included our current list of standard charges (Tariff of Mortgage Charges) with these conditions. You can also find our Tariff on our website at sainsburysbank.co.uk or you can get a copy by calling us. We can change these charges and introduce new charges. The reasons why we might do this are set out in Term 8 of the Loan Terms. We will notify you of these changes at least annually.</p>
Property obligations	<p>Your Loan will be secured on the Property described in your Offer.</p> <p>You must look after the Property. This means putting it and keeping it in good repair. Term 13.1 of the Mortgage Terms sets out your obligations in relation to maintaining the Property, such as completing building work. You must also get our permission before you carry out certain actions in relation to the Property, such as altering or extending it.</p> <p>You must insure the Property against the usual risks to a Property (fire and flood for example) and for an amount that is sufficient to fully re-instate the Property if it's destroyed or damaged. (Special Terms apply in England and Wales and Northern Ireland where the Property is leasehold, or commonhold and someone else, such as a landlord, is responsible for insuring it: see Term 15.3 of the Mortgage Terms).</p>
Action we may take	<p>We or, where applicable, any receiver we appoint can take certain action in relation to the Property if you don't meet your obligations. These actions are set out in Term 17 (for a Property located in England and Wales and Northern Ireland) and Term 18 (for a Property located in Scotland) of your Mortgage Terms. They include repossessing your Property and selling it.</p>

Words with special meaning

Certain words used in the **Terms** have a special meaning. Where they are used, they appear in **bold** text. These are set out below:

Capital	this is any money on which we can charge interest under these Terms , that is (i) any part of a Loan which you have not repaid; (ii) any charges which we add to your Loan Balance under Term 7.4 of the Loan Terms ; and (iii) any interest which you have not paid by the end of the calendar month in which it becomes due.
Interest Rate	means the rate of interest shown in your Offer or, if we change it, in accordance with these Terms , the updated rate of interest.
Loan	means any individual amount of money we have lent to you or may lend to you on the security of the Property , as set out in an Offer .
Loan Balance	means all the money you owe us in respect of a Loan from time to time, including any unpaid interest or charges.
Mortgage documents	means all the documents detailing the Loan, the security granted to us and associated terms and charges, being: (a) each Offer ; (b) these Terms ; (c) each security document you execute to give us security over the Property ; and (d) the Tariff .
Offer	means any written Offer of a Loan sent to you which results in a Loan being made to you .
Outstanding Balance	means the whole amount you owe us from time to time under these Terms and each Offer (this will be the same as the Loan Balance or, if we have made two or more Loans to you , the total of each of the Loan Balances for the time being outstanding).
our, us, we and the Bank	refer to Sainsbury's Bank plc and include our successors in title (in law or in equity) to the mortgage and anyone to which we transfer or assign the Loan and/or mortgage to in accordance with these Terms .
Property	means the Property which is security for the Loan and where appropriate includes all or any part of the Property .
Tariff	means our Tariff of Mortgage Charges which applies to your Loan . The Tariff states the current amount of the standardised charges which we may make under Term 7 of the Loan Terms . We may make changes to the charges set out in the Tariff and apply new charges, details of how and when we will do this are set out in Term 8 of the Loan Terms . You can go to our website sainsburysbank.co.uk or call us to get the latest version.
Terms	means the Terms set out in this booklet.
you and your	refer to a person who is the borrower named in the Offer and includes your personal representatives and anyone who takes over the borrower's legal rights and duties under the Loan .

PART 1 – LOAN TERMS

1. What you have to pay by the end of the term

- 1.1. **You** must repay the **Loan** to **us** with interest and charges:
 - (a) by the end of the term set out in **your Offer** (or any changed term which is later agreed between **you** and **us** in writing); or
 - (b) when **you** sell or re-mortgage the **Property**; or
 - (c) where **we** demand re-payment in accordance with **Term 6 of the Loan Terms**.
- 1.2. If **you** don't repay the **Capital** in full at the end of the term **we** can continue to apply interest to the **Capital** at the **Interest Rate** that applied immediately before the end of the term until it's repaid. **We** might also take proceedings against **you** which might mean that **we** repossess and sell the **Property**. Further details of the actions **we** may take if **you** do not repay the **Capital** in full at the end of the term are set out in Part 2 of these **Terms**.

2. What you have to pay each month

- 2.1. **You** must make the monthly payments until the **Loan Balance** is repaid in full.
- 2.2. **Your** monthly payments will start in the month after the **Loan** is advanced to **you** and will be due on the first day of each month unless **we** agree another date with **you**. **Your** first payment will include **your** standard monthly payment plus, in addition, all interest accrued from date the **Loan** was released to **you** to the end of that month. This means that **your** first payment will be more than **your** normal monthly payment.
- 2.3. **Your** monthly payments should be made by Direct Debit from a current account held with a UK based bank or building society. The bank account from which the Direct Debit is made must be in the name of at least one borrower. If **you** would prefer a different payment date, please tell **us** and **we** will do **our** best to accommodate **you**.
- 2.4. If the **Loan** is made on a 'repayment basis' **you** will have to make monthly payments that are made up of interest and **Capital**. **Your** payments will be calculated so that the **Capital** will be repaid with interest by the end of the term. If any monthly or other payments due under these **Terms** have not been paid by **you** when they are due, the monthly payment will not provide for the repayment of these amounts, or the interest **we** charge on these amounts, unless and until **we** change the payment under **Term 3.1(c)** or (e).

- 2.5. If **you** have an 'interest only' mortgage or if **your** mortgage is made on a part 'interest only' and part 'repayment' basis, **your** monthly payments, or part of **your** monthly payments, will be made up of interest only. **You** will need to repay all remaining **Capital** in full as a lump sum payment at the end of the term. It's **your** responsibility to make sure **you** will be able to repay the **Capital** at the end of the term of an interest-only or part interest-only mortgage.
- 2.6. If **we** receive any payment from **you** which is not enough to pay the full amount that **you** owe to **us** **we** will apply the amount received in the following order:
- towards any monthly payments which are in arrears;
 - towards any unpaid interest and charges; and then
 - towards the rest of the **Loan Balance** owing.
- 2.7. Until **you** repay all the arrears **your Loan Balance** will not reduce, which means **you** will have to pay a higher amount of interest over the term of the mortgage.

3. When your monthly payment can change

- 3.1. In certain circumstances **we** may vary the amount of **your** monthly payment. **We** may do this:
- if there's a change in the **Interest Rate**;
 - if **we** add any unpaid interest to the **Capital** under **Term 4.1** of the **Loan Terms**;
 - if **we** add unpaid charges to the **Capital** under **Term 7.4** of the **Loan Terms**;
 - if there is a change to the term of the **Loan** or to the repayment method of the **Loan** (interest only, repayment or part interest only and part repayment) which is agreed in writing between **you** and **us**;
 - so that **we** can reschedule for payment over the rest of the term (where regulatory requirements permit this) any monthly payments which **you** have failed to pay or have selected to underpay in accordance with **Term 10.3**; or
 - if the change is required to ensure **we** are complying with **our** regulatory requirements.
- 3.2. When **we** make a change **we** will act reasonably and will notify **you** of the revised monthly payment. **We** will tell **you** at least 14 days in advance if **your** payment amount is changing and when the first amended payment is due.

4. How is interest applied and charged on the Loan

- 4.1. For each day **we** will calculate interest on the **Capital** at the **Interest Rate**. **We** will add any interest which remains unpaid on the last day of the calendar month in which it accrued to the **Capital** on the first day of the following month.

- 4.2. This means that if **you** don't make a monthly payment by the end of the calendar month in which it's due to be paid, **you** will be charged interest at the **Interest Rate** on the **Outstanding Balance** which will include the amount of the missed payment.

5. When the Interest Rate can change

- 5.1. Except during any period when **your Offer** states that interest is to be charged at a fixed or tracker rate, **we** have the power to vary the **Interest Rate** for the reasons set out in **Term 5.3** (c).
- 5.2. **We** may at any time reduce the **Interest Rate** on the **Loan** without notice to **you**. If that results in a different monthly payment **we** will tell **you** about the change before it's due under **Term 3.2** of the **Loan Terms**.
- 5.3. The **Offer** will set out the type of **Interest Rate** **you** have. The following conditions apply to that rate:
- during any period when **your Offer** states that **your Interest Rate** will be fixed, **we** can't vary the **Interest Rate**;
 - where **your Offer** states that **your Interest Rate** will track an externally set rate (such as Bank of England Base Rate) **your Interest Rate** will increase and decrease by the same amount as the externally set rate unless **your** product has a specified floor that **your Interest Rate** cannot go below, or ceiling that **your Interest Rate** cannot go above. Details of any applicable **Interest Rate** floor or ceiling can be found in **your Offer**.
 - in all other cases, the **Interest Rate** will be a variable rate and **we** may increase the variable rate at any time to respond proportionately, to any one or more of the following reasons:
 - to a change in the Bank of England base rate;
 - to a change in the law, codes of practice or the way **we** are regulated;
 - to a change in **our** costs in funding **your Loan** (this may include, for example, where the interest rates on the money **we** borrow to fund **your Loan**, such as the London InterBank Offered Rate increases. The London InterBank Offered Rate is the interest rate banks use when they lend to each other);
 - a change beyond **our** reasonable control in the costs to **us** of providing **your Loan** or the services and facilities available in connection with it (including changes in the technology **we** use).
- 5.4. **We** will give **you** at least 14 days' notice of any increase in the **Interest Rate** in accordance with **Term 3.2** or in the case of a tracker rate, as soon as possible after, the increase is to take effect.

- 5.5. If **you** do not agree to the increase, **you** are able to repay the **Loan Balance** in full. If **you** repay the **Loan** **you** may have to pay an early repayment charge and any other charge which applies under **your Offer** and **our Tariff**.
- 5.6. **You** can call **us** or look at **our** website ([sainsburysbank.co.uk](https://www.sainsburysbank.co.uk)) at any time to check what **our** current standard variable rate is.

6. When we can ask for immediate repayment of the Loan

- 6.1. In certain circumstances, **we** may give **you** notice requiring **you** to pay **us** the **Outstanding Balance** immediately. **We** will only ask **you** to do this if:
- you** have failed to make payment of an amount equal to two or more of **your** monthly payments on any **Loan**;
 - you** materially or persistently fail to comply with any of **your** obligations (other than for the payment of money) to **us** in relation to the **Loan** and mortgage set out in the **Offer**, these **Terms**, or any other agreement between **you** and **us**;
 - we** discover that **you** gave **us** materially false, misleading or incomplete information when **you** applied for the **Loan** and **we** reasonably believe this made a significant difference to **our** decision to lend to **you**. Without limiting this **Term** 6.1(c), **we** may give **you** notice requiring **you** to pay **us** the **Outstanding Balance** immediately if **you** are borrowing for a business purpose and any of the declarations given by **you** to **us** under **Term** 16 is false or if, contrary to the declaration **you** give **us**, we discover that:
 - someone other than **you** has a share in **your** business, or manages **your** business or has a say in how **your** business is run;
 - your** business is incorporated, and **you** entered into the **Loan** as representatives of that incorporated business; or
 - you** hold (or intend to hold) the **Property** for the benefit of another person or organisation;
 - you** are made bankrupt or, in Scotland, sequestered;
 - you** enter into a voluntary arrangement (or propose to do so), or enter into an arrangement with **your** creditors, or apply for an interim order, or **your Property** is taken into trust for the benefit of **your** creditors;
 - if **you** are (or are deemed to be) partners in an unincorporated partnership, **you** are deemed unable to pay **your** debts within the meaning of sections 222, 223 or 224 of the Insolvency Act 1986, or Articles 186, 187 or 188 of the Insolvency (Northern Ireland) Order 1989 or **you** are deemed to be apparently insolvent within the meaning of section 16 of the Bankruptcy (Scotland) Act 2016, or any step is taken with a view to:

- the winding up, dissolution, administration, receivership, sequestration or any analogous procedure in respect of the partnership's business;
 - the appointment of a receiver, liquidator, provisional liquidator, administrator, administrative receiver or manager, trustee in sequestration or other similar officer of the partnership or the partnership's assets other than the presentation of a winding up petition or the presentation of a petition for sequestration which is frivolous and vexatious and is dismissed within 10 days or if earlier, prior to the date on which it is advertised;
 - the rescheduling of the partnership's debts pursuant to a reorganisation, voluntary arrangement or otherwise;
 - a trust deed is entered into for the benefit of your creditors, or any other arrangement with your creditors is made; or
 - a third party encumbrancer or landlord takes possession of any of the revenues or assets of the partnership for non-payment or otherwise or any security created by the partnership becomes enforceable or a distress, diligence or other execution is levied, enforced or sued upon or against any material part of the property of the partnership (including for the avoidance of doubt the Property and/or any goodwill).
- (g) the **Property** is compulsorily acquired (for example, a local authority forces **you** to sell **your Property** to them);
- (h) the **Property** has remained unoccupied for a period of at least six months, and in **our** reasonable opinion there is no reasonable prospect of **you** finding a tenant for the **Property** in the foreseeable future. In this case, however, **we** will act reasonably and if **you** are able to demonstrate to **our** reasonable satisfaction that **you** can continue to make **your** payments on the Loan in accordance with **your** obligations to do so, **we** will not treat this as an event which makes the **Outstanding Balance** immediately due and payable;
- (i) the **Property** has been abandoned;
- (j) **your Property** is located in Scotland and you have failed to comply with a calling up notice **we** have sent **you**; or
- (k) **you** die, or in the case of joint borrowers, the last surviving one of you dies.

- 6.2. If **you** do not repay the **Outstanding Balance** when requested and **we** obtain a Court judgment against **you** for that amount or part of it, **you** will pay interest on the amount of that judgment at the rate set by the Court or, if none is set by the Court, at the **Interest Rate**.
- 6.3. If **we** or a receiver sell the **Property** following enforcement action against **you**, **you** must still pay **us** any amount by which the sale proceeds fall short of the **Outstanding Balance**. If the shortfall is not paid immediately **we** will continue to apply interest on it at the **Interest Rate** until it's paid.

7. When Fees and Charges can be charged to you

- 7.1. **You** agree to pay **us** the charges **we** make to recover the costs and expenses **we** reasonably incur in connection with **your** mortgage. The charges **we** make may cover either or both of the costs and expenses **we** have to pay to third parties and internal administrative expenses which **we** incur.
- 7.2. Where **we** can make a reasonable estimate of the costs and expenses **we** incur in typical cases, **we** may recover **our** costs and expenses by asking **you** to pay a standard charge equal to the amount **we** have estimated. **Our** standard charges are set out in **our Tariff** or, where they arise in connection with the making of a new **Loan**, in the **Offer**. In other cases, **we** may recover **our** costs and expenses by asking **you** to pay a charge equal to the costs and expenses **we** actually pay or incur in the particular case.
- 7.3. Examples of charges include (but are not limited to):
- (a) **Operational costs:** Charges may be incurred when **we**:
 - (i) supply to or copy deeds or documents for **you** or anyone acting for **you**;
 - (ii) discharge **our** security or release the **Property** or any related rights from **our** security;
 - (iii) release any title deeds;
 - (iv) process any request by **you** or anyone acting for **you** for any change in the **Terms** of the **Loan** or the mortgage; and
 - (v) give **you** or anyone authorised by **you** any assistance or information in connection with the **Property**, the **Loan** or the mortgage.
 - (b) **Legal costs:** Before the first **Loan** is made **we** will ask **you** to set up a mortgage over the **Property** to secure the **Loan** and any future **Loans**. **You** will be responsible for paying the charges **we** make to cover the legal costs of any conveyancer who undertakes **our** legal work in relation to the mortgage. The **Offer** will state whether **you** are paying the whole or part of the legal costs involved in setting up the mortgage and making the **Loan**. **Your Offer** will also tell **you** if **your** product offers any assistance towards legal fees.
 - (c) **Costs to safeguard our security:** **You** must pay **us** the charges **we** make where **we** need to take action to safeguard **our** security or because **you** fail to fulfil an obligation **you** have under these **Terms** or the **Offer**. Examples of items covered by these charges include (but are not limited to):
 - (i) any legal proceedings and costs relating to the mortgage (this applies whether or not **you** are a party to the proceedings);
 - (ii) exercising any of the rights or powers given to **us** by law or these **Terms**; and

- (iii) recovering any of the **Outstanding Balance**.
 - (d) **Arrears Charges:** If **you** fail to make any payments due to **us** and **your Loan account** falls into arrears, **we** may charge **you** arrears administration fees. The time from when **we** start charging these fees and the amount of these fees will be set out in the **Tariff**. Arrears administration fees are calculated to cover **our** administrative costs in dealing with those arrears. Where arrears administration fees are charged, they will be added to the **Capital** each month under **Term 7.4** of the **Loan Terms**. Legal costs will also be charged if **we** have to take further action.
- 7.4. If **you** do not pay a charge within 7 days of the date **we** specify to **you** as the due date, then **we** may add it to the **Capital** if it is reasonable to do so. Where **we** do this:
- (a) **we** will charge interest at the **Interest Rate** on the charge until it is repaid or, where there is more than one such rate, at the rate which applies to the part of the **Outstanding Balance** which originated earliest;
 - (b) if the addition of the charge results in **your** monthly payment being changed **we** will give **you** notice of the new amount in accordance with **Term 3.2**; and
 - (c) **we** will make sure that any new monthly payment amount results in the interest charged each month being covered by the corresponding monthly payment for that month and any **Capital** that is not being repaid on an interest only basis being repaid with interest by the end of the term.

8. When we can change our charges

- 8.1. **We** may change any of the standard charges listed in **our Tariff** or introduce new charges which are not in the **Tariff** at any time if it is reasonable to do so. If the change is not to **your** advantage (for example, if **we** increase a charge or introduce a new one), **we** will only make the change to enable **us** to respond proportionately to a change in either or both of the following:
- (a) a change in the law, codes of practice or the way **we** are regulated; and
 - (b) a change beyond **our** reasonable control in the costs to **us** of providing **your Loan** and the services and facilities **we** provide in connection with it (including changes in technology **we** use).

9. How we'll tell you about the changes we make

- 9.1. If **we** make a change to the charges listed in **our Tariff**:
- (a) **we** will write to give **you** notice at least 14 days before the change takes effect if the change is to **your** disadvantage or where **we** introduce a new charge;
 - (b) the new charge will be set out in the **Tariff**, a copy of which will be provided to **you** at least once a year when changes are made;

- (c) **we** will tell **you** when **you** ask **us** to do something which incurs a charge before the charge is incurred; and
- (d) details of **our** charges will be available on **our** website **sainsburysbank.co.uk** or by telephoning **us**.

10. Flexible Features

- 10.1. Any flexible features that apply to **your Loan** will be set out in **your Offer**. Where applicable, the flexible features are as provided in this **Term 10**.
- 10.2. Overpayments
- (a) **You** can make overpayments in addition to the repayments which are set out in **your Offer**.
 - (b) **You** can make overpayments at any time by:
 - (i) increasing **your** monthly payment; or
 - (ii) bank transfer to Sainsbury's Bank quoting **your** account number in the reference field. Please call **us** to request up to date bank account details from **us**.
 - (c) Early repayment charges may apply to overpayments, details are set out in **your Offer**.
 - (d) Any overpayment **you** make will reduce the amount owing under the **Loan** by **you** from the date it is received by **us**. The interest to be debited will be recalculated to reflect the revised amount owing under the **Loan**.
 - (e) If **you** want the overpayment **you** make to result in a reduction of **your** monthly payments, **you** must call **us** to request this. Once **we** have done this, **you** will need to build up new overpayments before **you** can apply to underpay in accordance with **Term 10.3**.
 - (f) Whenever **we** change your monthly payment for any reason other than in accordance with **Term 3.1 (a)** or **Term 3.1 (e)**, **you** will need to build up new overpayments before **you** can apply to underpay in accordance with **Term 10.3**.
- 10.3. Underpayments
- (a) If **you** have previously made overpayments and you have not asked for the overpayment to result in a reduction of **your** monthly payments, an underpayment means that **you** can make lower payments for a period or stop **your** monthly payments altogether for a period of time up to:
 - (i) the amount **you** have previously overpaid; or
 - (ii) a maximum value of two monthly payments in each 12 month period starting on the date **we** first advance the **Loan** to **you**.

- (b) **You** will not be eligible for an underpayment if:
 - (i) the amount to be underpaid is more than or will, when the next payment is due, be more than the amount **you** have previously overpaid; or
 - (ii) the amount to be underpaid exceeds or will exceed, when the next payment is due, a maximum underpayment value of two monthly payments in the 12 month period;
 - (iii) any of the circumstances in **Term 6.1** of these **Terms** has happened or if **we** reasonably believe it is likely to happen;
 - (iv) **you** have asked for the overpayment **you** have made to result in a reduction of **your** monthly payments.
- (c) Any underpayment **you** make will increase the amount owing under the **Loan** by **you** from the first day of the calendar month following the underpayment. The interest to be debited will be recalculated to reflect the revised amount owing under the **Loan** and **your** monthly payment will be recalculated in accordance with **Term 3.1 (e)**.
- (d) **You** must call **us** to check **your** eligibility and to request an underpayment, if applicable. Please note that **we** need at least 14 calendar days' notice before **your** selected underpayment date which will also serve as **your** notice period for change of payment under **Term 3.2**.

10.4. Transferring your Mortgage

- (a) If **your Offer** allows 'Porting', this means that **you** have the right to transfer the **Terms** of your product terms to a new property in the event that **you** wish to change property without being subject to any early repayment charge which might apply. An early repayment charge may, however, be payable if **you** reduce (repay) part of the **Loan** at the time **you** change property. The amount charged will be based on the amount of the **Loan** **you** are reducing in excess of any overpayment allowance set out in **your Offer** and not the full **Outstanding Balance**. Details of early repayment charges and any other charges are set out in **your Offer** and **our Tariff**.
- (b) There are restrictions which apply to when **you** can do this:
 - (i) The **Loan** and property must meet **our** lending criteria at the time **you** wish to transfer your mortgage to a new property. This includes considerations such as the **Loan** to value ratio as they apply to the new property, **your** financial circumstances (**you** may be subject to a full affordability assessment) and the nature of the new property as security for the **Loan**. Please note that **we** may change **our** lending criteria from time to time which means that **our** lending criteria at the time **you** change property might be different to **our** lending criteria when **you** originally took out the **Loan**;

- (ii) **You** must have had the original **Loan** with **us** for a minimum of 6 months;
 - (iii) **You** must not have had any sums overdue under **your Loan** in the 6 months prior to the time **you** wish to port the **Loan** or have had any other payment arrangements in place with **us** during this period;
 - (iv) **You** must tell **us** that **you** want to transfer your product terms before **you** repay **your Loan** on **your** current **Property**;
 - (v) **You** will have to pay a property valuation fee for the new property. Details of the fee will be set out in **our Tariff** and can also be provided by calling **us**.
- (c) **We** may allow **you** to port your product terms even if, at the time **you** ask **us** to do this, **you** have not identified a new property to move **your Loan** to, or the date **you** are due to complete the purchase of **your** new property is after the date on which **you** sell **your** current **Property**. In both of these situations **you** will need to pay **us** any early repayment charge in full that applies when **you** sell **your** current **Property**. However **we** will refund this amount to **you** provided the date of completion of the purchase of the new property with **us** is within 180 days of the date on which **your** original Loan was repaid and the **Loan** amount is of equal or greater value than the **Loan** repaid. If **you** are reducing the **Loan** amount any charge refunded will be based on the amount of the **Loan** remaining.
- (d) Any additional **Loan** **you** require as a result of transferring your mortgage will be offered to **you** on **our** available products at that time and **you** will be subject to an affordability assessment and other criteria in respect of the additional **Loan**.

11. Storage of Deeds

- 11.1. At **our** request, **you** or **your** legal representative will provide **us** with the title deeds and any other title documentation in relation to the **Property** for **us** to hold.
- 11.2. Where **we** hold the title deeds to **your Property**, **you** may ask **us** to send them temporarily to **your** legal representative or supply copies to **you** or **your** legal representative. Any charges incurred for doing so are set out in the **Tariff**.

PART 2 – MORTGAGE TERMS

12. Security

- 12.1. By entering into the mortgage, **you** have given **us** security over the **Property** to protect **us** in case **you** don't keep to **your** obligations under these **Terms**, the **Offer** and any other document which sets out the agreement between **us** for the **Loan**. If **we** enforce the security, **we** need to take certain steps which are described in this Part 2. This Part 2 also describes **your** obligations in relation to the **Property** and the restrictions which apply to the way **you** can deal with the **Property** whilst it forms part of **our** security.
- 12.2. The security over **your Property** may be for more than the **Outstanding Balance** **you** owe under these **Terms** and each **Offer**. It will also be for any other money that **you** owe to **us** under any other agreement, or will owe to **us** in the future, other than any agreements that are stated to be regulated by the Consumer Credit Act 1974 (unless the **Property** is specified as security in the regulated agreement).
- 12.3. Unless **we** agree otherwise with **you**, the security will not be released until all money **you** owe to **us** (whether due or not) under any agreement secured by the mortgage has been paid. This will not affect **your** right to repay any agreement regulated by the Consumer Credit Act 1974.

13. What you can and cannot do in relation to the Property

- 13.1. There are certain actions that **you** must take, or must not take, in relation to the **Property**. **You** must:
- (a) keep the **Property** in a good condition at all times and carry out any necessary repairs;
 - (b) make sure that any unfinished building or works on the **Property** are completed without delay and are carried out to the required standard;
 - (c) if the **Property** is leasehold (applicable in England and Wales and Northern Ireland), comply with all of the tenants' obligations under the lease. Where **your Property** is located in Northern Ireland and **you** acquire any extension of the term of **your** lease or acquire the freehold (whether under the Leasehold (Enlargement and Extension) Act (Northern Ireland) 1971 as amended by the **Property** (Northern Ireland) Order 1997 and any other similar legislation) **you** must tell **us** immediately and take all such action **we** direct, including, where requested, executing a further mortgage in **our** favour and delivering all documents of title and leases to **us**;

- (d) pay on time all existing and future rents, taxes, outgoing and rent charges affecting the **Property**. If **you** fail to make payment and there is a risk to **our** security, **we** may pay them on **your** behalf and recover these funds from **you** in accordance with **Term 7.4** of the **Loan Terms**;
- (e) send to **us** a copy of any notice or other document affecting the **Property** within 14 days of receiving it from:
 - (i) a landlord (if the **Property** is leasehold in England and Wales or Northern Ireland);
 - (ii) a rent charge owner (if the **Property** is subject to a rent charge);
 - (iii) anyone claiming a legal right over the **Property**;
 - (iv) any government department, local or other authority;
 - (v) a commonhold association (if the **Property** is commonhold).
- (f) send to **us**, within 14 days of **us** requesting it, a copy of any of the following documents relating to the letting of the **Property**:
 - (i) any current or former tenancy agreement;
 - (ii) any certificate or other document evidencing your compliance with the requirements of the Tenancy Deposit Scheme (or any replacement scheme);
 - (iii) any other notice or other document which **you** have given to, or received from, a tenant and/or their representative;
 - (iv) any other documents **we** reasonably request.
- (g) allow (or arrange for the tenant(s) to allow) **us**, **our** employees, or agents to enter the **Property** after giving **you** reasonable notice so that **we** may:
 - (i) carry out a valuation of the **Property**;
 - (ii) inspect the state of repair and condition of the **Property**;
 - (iii) carry out or complete any work which is needed to put right any failure by **you** to comply with these **Terms**;
- (h) tell **us** before **you** apply to a local authority or other similar body for any loan or grant for the repair or improvement of the **Property**. This is because the loan or grant may be subject to conditions requiring the whole or part of the grant to be repaid, for example, if **you** do not live in the **Property** for a certain period. **You** cannot accept any such loan or grant unless **we** agree in writing; and

- (i) not knowingly take any action regarding the **Property** that is against any applicable law or regulation.

13.2. **You** must not do any of the following without getting **our** written consent first:

- (a) transfer **your Property** (or any part of **your Property**) into another party's/parties' name, assign **your** interest in the **Property**, arrange/obtain another mortgage on **your Property**, obtain an extended lease of the **Property** or otherwise deal with or give away or otherwise permit the creation of any overriding interest in the **Property**, including the granting of any lease over whole or any part of **your Property**;
- (b) accept the surrender of any lease or tenancy of the **Property**;
- (c) demolish, alter or extend the **Property**.

13.3. For **Properties** located in Scotland, there are certain standard conditions which apply by law to mortgaged properties. In Part 4, **we** summarise the standard conditions and tell **you** how they have been dealt with in these **Terms**.

13.4. Where **you** have failed to meet any of **your** obligations under these **Terms**, **we** may take any action which **we** deem in **our** reasonable opinion, is needed to put this right.

14. How you must use and occupy the Property

14.1. The **Property** must only be occupied for residential purposes as a single private dwelling and **you** must not change the use of the **Property** or allow the **Property** to be used by any tenant for a trade or business.

14.2. **You** must not occupy the **Property yourself** and **you** must not agree to grant a tenancy of the **Property** to any of the following:

- (a) any of **your** family members (the term "family members" includes, for example, a spouse, civil partner, parents, grandparents, siblings, children and grandchildren);
- (b) tenants in receipt of housing benefit;
- (c) local authority tenants;
- (d) people who have made an application for asylum in the United Kingdom; or
- (e) people who could claim diplomatic immunity.

14.3. **You** must not, unless we have agreed in writing, grant or agree to grant or renew any lease or tenancy of the **Property** or give to any person any contractual or other licence or right to occupy or live in the **Property** other than a tenancy which complies with this **Term 14**.

- 14.4. If **you** Property is in England and Wales, **you** must ensure that any tenancy agreement for the **Property** complies with the following:
- (a) the letting must be for residential purposes only;
 - (b) **you** cannot let out parts of the **Property** under two or more separate tenancy agreements at the same time;
 - (c) **you** cannot let out the **Property** as a house in multiple occupation, as defined in section 254 of the Housing Act 2004;
 - (d) any tenancy of the **Property** created before 1 March 1997 must be an assured shorthold tenancy and must be for a term of not less than six months. **Your** solicitor must produce to **us** or to **our** solicitor, upon request, valid notices served under Section 20 of the Housing Act 1988 before the tenancy was created, together with a copy of the tenancy agreement;
 - (e) any tenancy of the **Property** created after 28 February 1997 must in all respects comply with the Housing Act 1996 as an assured shorthold tenancy;
 - (f) (further to paragraphs (d) and (e) above) the **Property** cannot be let as a short term or holiday let;
 - (g) **you** must produce evidence to **our** solicitor, before buying the Property, that all provisions of Part 1 of the Landlord and Tenant Act 1987 and the Housing Act 1988 have been complied with by the seller or **you** where **you** purchased the **Property** and at the time **you** purchased it, the **Property** was subject to a tenancy agreement;
 - (h) the tenancy agreement must not be for a term of more than 12 months;
 - (i) the letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement, or permit the tenant to sub-let the **Property** or any part of it;
 - (j) the tenant(s) must not be able to extend the term without **your** consent;
 - (k) references about the proposed tenant(s)' ability to pay the rent and their character must be obtained and must be made available when **we** ask for them;
 - (l) any tenancy agreement must (a) be in a form normally used for assured shorthold tenancy agreements and (b) contain no terms which can adversely affect our interest as mortgagee; and
 - (m) any deposit must be held by a body approved by the Government pursuant to the requirements of the Housing Act 2004.

- 14.5. If **you** Property is in Northern Ireland, **you** must ensure that any tenancy agreement for the **Property** complies with the following:
- (a) the letting must be for residential purposes only;
 - (b) **you** cannot let out parts of the **Property** under two or more separate tenancy agreements at the same time;
 - (c) **you** cannot let out the **Property** as a house in multiple occupation, as defined in article 75 of the Housing (Northern Ireland) Order 1992 (as amended from time to time) or as defined in any other act, statute or regulation applicable in Northern Ireland which, from time to time, replaces, modifies or otherwise amends the foregoing definition;
 - (d) the tenancy agreement must be in writing and must not be for a term of more than 12 months. Your solicitor must produce to us or to our solicitor, upon request, a copy of the tenancy agreement and any related documents;
 - (e) the **Property** cannot be let as a short term or holiday let;
 - (f) the letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement or permit the tenant to sublet the **Property** or any part of it;
 - (g) the tenant(s) must not be able to extend the term without **your** consent;
 - (h) references about the proposed tenant(s)' ability to pay the rent and their character must be obtained and must be made available when **we** ask for them;
 - (i) any tenancy agreement must (a) comply with all of the other provisions of this Term 14.5, (b) not provide the tenant or occupier with any of the protections afforded under the Business Tenancies (Northern Ireland) Order 1996 and (c) contain no terms which can adversely affect **our** interest as mortgagee;
 - (j) **you** must comply with (a) the provisions of the Housing (Amendment) Act (Northern Ireland) 2011 and The Landlord Registration Scheme Regulations (Northern Ireland) 2014 in relation to registration as a landlord and (b) the provisions of the Housing (Amendment) Act (Northern Ireland) 2011 and The Tenancy Deposit Schemes Regulations (Northern Ireland) 2012 in relation to the protection of the tenant's deposit;
 - (k) where required, by virtue of article 33 of The Private Tenancies (Northern Ireland) Order 2006, **you** must obtain a certificate of fitness (as defined therein) in respect to the Property;
 - (l) by virtue of article 4(1) of The Private Tenancies (Northern Ireland) Order 2006, **you** must provide a Statement of Tenancy Terms to the Tenant within 28 days of the grant of the Tenancy in respect to the Property and if varied, serve a prescribed notice relating to the variation within 28 days;

- (m) by virtue of article 5 of The Private Tenancies (Northern Ireland) Order 2006, **you** must provide a rent book (as prescribed therein) to the tenant within 28 days of the grant of the tenancy in respect to the Property;
 - (n) **you** must keep the Property in a good state of repair and condition and remedy any notice of unfitness or notice of disrepair as soon as possible keeping us advised at all stages; and
 - (o) if a tenancy is entered into before 1 April 2007, evidence must be produced to our solicitor before buying the Property that the Property is not a Protected or a Statutory Tenancy.
- 14.6. If **your** Property is in Scotland, **you** must ensure that any tenancy agreement for the **Property** if located in Scotland complies with the following:
- (a) the letting must be for residential purposes only;
 - (b) **you** must ensure that you register with the local authority as a landlord in terms of the Antisocial Behaviour etc. (Scotland) Act 2004;
 - (c) **you** cannot let out parts of the **Property** under two or more separate tenancy agreements at the same time;
 - (d) **you** cannot let out the **Property** as a house in multiple occupation, as defined in the Housing (Scotland) Act 2006;
 - (e) any tenancy of the **Property** before the coming into force of the Private Housing (Tenancies) (Scotland) Act 2016 must be a Short Assured Tenancy in terms of the Housing (Scotland) Act 1988. **Your** solicitor must produce to **us** or **our** solicitor, upon request, a valid AT5 notices served under the Housing (Scotland) Act 1988 before the tenancy was created together with a copy of the tenancy agreement and all other pre-tenancy documentation necessary to properly constitute a Short Assured Tenancy;
 - (f) any tenancy of the **Property** following the coming into force of the Private Housing (Tenancies) (Scotland) Act 2016 must be a Scottish private residential tenancy in terms of the Private Housing (Tenancies) (Scotland) Act 2016. **Your** solicitor must produce to **us** or **our** solicitor, upon request a copy of the tenancy agreement and evidence of service upon the tenant of all specified information and documentation necessary to properly constitute a Scottish private residential tenancy;
 - (g) the letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement;
 - (h) the tenant(s) must not be able to extend the term without **your** consent;
 - (i) references about the proposed tenant(s)' ability to pay the rent and their character must be obtained and must be made available when **we** ask for them;

- (j) any tenancy agreement must (a) be in a form normally used for assured shorthold tenancy agreements and (b) contain no terms which can adversely affect **our** interest as mortgagee; and
 - (k) any deposit must be held by a body approved pursuant to the requirements of the Tenancy Deposit Schemes (Scotland) Regulations 2011.
- 14.7. If the rental income for the Property exceeds £100,000 per annum, **we** reserve the right to request that **you** use **our** preferred form of tenancy agreement.
- 14.8. **You** must inform **us** if the **Property** remains unoccupied for a period of more than three months, and inform **us** when the **Property** is let. **You** must also inform us if you anticipate the **Property** will be unoccupied for a period of more than three months, and inform us when the **Property** is let.

15. Making sure the Property is insured

- 15.1. **Your Property** must be covered by buildings insurance for as long as it's security for a **Loan**.
- 15.2. Except where the **Property** is insured in accordance with **Term** 15.3, **you** must insure the **Property** as follows:
- (a) **You** must maintain a comprehensive policy against all usual house insurance risks. The risks include (but are not limited to) fire, explosion, earthquake, storm, flood, escape of water or oil, subsidence, heave, landslip and malicious damage. The policy must be for the cost of full reinstatement of the **Property**, including clearing the site and paying all fees and expenses. The amount insured under the policy must be enough to put the **Property** back to its original state following any amount of damage or destruction.
 - (b) **You** will give **us** proof of the policy that is in place together with proof of payment of the premiums, if **we** ask **you** for this.
 - (c) **You** must tell **us** as soon as possible about any damage to the **Property** which could give rise to a claim under the insurance policy.
- 15.3. If the **Property** is leasehold or commonhold and the terms of the lease, or the commonhold community statement, provide for the **Property** to be insured by a third party (for example, the landlord), then the **Property** will not need to be separately insured by **you**, provided that **you** make sure that the **Property** remains insured against all risks detailed in **Term** 15.2(a) above and for the cost of full reinstatement of the **Property**.
- 15.4. **You** will not do anything or allow anything to be done or not done which may make the insurance invalid or which makes the insurance more difficult or expensive to obtain or maintain or affects the ability to make a claim under the insurance policy.

15.5. **We** may, on **you** behalf, settle and adjust any claims against the insurers of the **Property**. In the event of a payout following a claim on the policy (whether arranged by **you** or **us**), **we** may receive any money paid out under the claim or, if **you** receive it, **you** must hold it in trust on **our** behalf and keep it separate from **your** other funds. **We** will use any money paid under the insurance policy to rebuild or repair the **Property** unless it is impracticable to do so, in which case, **we** will use the money to reduce or pay off the **Outstanding Balance**.

16. Your promises and confirmations where you are borrowing for a business purpose

16.1. This **Term** 16 only applies where **you** are borrowing the **Loan** wholly or predominantly for the purpose of a business carried on, or intended to be carried on, by **you**.

16.2. **You** confirm to **us** that:

- (a) the entry into and performance by **you** of the **Mortgage Documents** or any other document delivered to **us** in connection with a **Loan** does not conflict with any law or regulation applicable to **you**; and
- (b) none of the circumstances set out in **Term** 6.1 is continuing.

16.3. The confirmations in **Term** 16.2 are made on the date of **your** acceptance of the Offer and deemed to be repeated (by reference to the facts and circumstances then existing) on each date on which **you** owe money to **us** under a **Loan**.

17. Action We May Take - Property located in England and Wales and Northern Ireland

17.1. **We** may take any of the steps specified in **Term** 17.2 of the Mortgage **Terms** if **you** have become obliged to pay **us** the **Outstanding Balance** immediately under **Term** 6.1 of the **Loan Terms**. **We** may appoint a receiver to take these steps instead of **us**. A receiver is someone **we** can appoint to manage the **Property** for **us**. Although **we** would appoint the receiver, he or she would act for **you** and in **your** name (not **ours**) and **you** would have to pay his or her fees.

17.2. **We** or any receiver may do the following to protect **our** position as lender and safeguard the **Property** as security for the **Loan**:

- (a) generally manage the **Property** including collecting and receiving all rents, arranging any necessary repairs and maintenance, ensuring compliance with local authority requirements, maintaining, renewing or increasing insurances and serving notices under any relevant housing legislation;
- (b) take possession of the **Property** and take any action or proceedings necessary to do so;

- (c) sell the **Property** (whether or not **we** have taken possession) for a price and on such terms as **we** may think fit (always making sure that **we** get the best price possible in the circumstances);
- (d) let or sublet the **Property** and vary, renew, terminate, surrender or accept surrenders of leases, tenancies or licences over the **Property** for a price and on such terms and for such rent and payment as are reasonable in the circumstances;
- (e) sell any freehold, or leasehold reversions created as a result of letting or subletting the **Property** under paragraph (d) above; and
- (f) where the **Property** has been let or sublet under paragraph (d) above, exercise, on **your** behalf and without having to give **you** prior notice or obtain **your** consent, all the powers and duties conferred on a landlord by legislation in force at the time.

17.3. If **we** (or a receiver appointed by **us**) take possession of the **Property** **you** must remove all furniture and other moveable property (personal items) from the **Property** within 7 days and must not remove any fixed items from the **Property** without **our** agreement in writing.

17.4. If any furniture or moveable items are not removed within 7 days then **you** agree that **we** or the receiver may:

- (a) deal with them as **your** agents and at **your** expense;
- (b) sell or otherwise dispose of anything which belongs to **you**, in which case **we** (or the receiver) will give **you** any proceeds received less all reasonable expenses of the sale; and
- (c) remove and store anything which **we** know does not belong to **you**.

17.5. Where more than one receiver is appointed each joint receiver may act separately and independently of any other joint receiver (unless the document appointing such receiver states otherwise). **We** may from time to time remove a receiver and appoint another in his or her place.

17.6. A receiver may charge any amount for his or her services as **we** reasonably agree with him or her and **you** will be responsible for paying those fees. **We** and any receiver may also employ and pay agents to act in **our** or the receiver's place. These agents will be treated as **your** agents and **you** will also be responsible for their fees so long as they are reasonable.

17.7. Where **your** **Property** is located in England and Wales, the Law of Property Act 1925 sets out certain rules in relation to the appointment of a receiver and the enforcement of security. It is typical for a mortgage lender to choose not to apply some of those rules and **we** do that as set out below:

- (a) Section 109(8) of the Law of Property Act 1925 is amended to allow a receiver to use any money received by him or her to repay any money owing by **you** in such order of priority (not being an order which is in conflict with **Term** 2.6) as **we** and the receiver reasonably agree, rather than a specific order set out in those rules;

(b) Sections 99, 100 and 103 of the Act set out some specific powers in relation to dealing with a property, but **we** or a receiver are able to dispose of the **Property** in any way that **we** see fit provided that **we** or they act reasonably and do not breach these **Terms**.

17.8. Where **your Property** is located in Northern Ireland, the Conveyancing and Law of Property Act 1881 and the Conveyancing Act 1911 set out certain rules in relation to the appointment of a receiver and the enforcement of security. It is typical for a mortgage lender to disapply certain of those rules and **we** do that as set out below:

(a) Section 24(8) of the Conveyancing and Law of Property Act 1881 is amended to allow a receiver to use any money received by him or her to repay any money owing by **you** in such order of priority (not being an order which is in conflict with **Term 2.6**) as **we** and the receiver reasonably agree, rather than a specific order set out in those rules;

(b) Sections 18, and 20 of the Conveyancing and Law of Property Act 1881 and Section 3 of the Conveyancing Act 1911 set out some specific powers in relation to dealing with a property, but **we** or a receiver are able to dispose of the **Property** in any way that **we** see fit provided that **we** or they act reasonably and do not breach these **Terms**.

18. Action We May Take - Property Located in Scotland

18.1. **We** may take any of the steps specified in **Term 18.2** of the Mortgage **Terms** if **you** have become obliged to pay **us** the **Outstanding Balance** immediately under **Term 6.1** of the **Loan Terms**.

18.2. **We** may do the following to protect **our** position as lender and safeguard the **Property** as security for the **Loan**:

(a) generally manage the **Property** including collecting and receiving all rents, arranging any necessary repairs and maintenance, ensuring compliance with local authority requirements, maintaining, renewing or increasing insurances and serving notices under any relevant housing legislation;

(b) take possession of the **Property** and take any action or proceedings necessary to do so;

(c) sell the **Property** (whether or not **we** have taken possession) for a price and on such terms as **we** may think fit (always ensuring that **we** obtain the best price possible in the circumstances);

(d) let or sublet the **Property** and vary, renew, terminate, surrender or accept surrenders of leases, tenancies or licences over the **Property** for a price and on such terms and for such rent and payment as **we** think fit;

(e) where the **Property** has been let or sublet under paragraph (d) above, exercise, on **your** behalf and without having to give **you** prior notice or obtain **your** consent, all the powers and duties conferred on a landlord by legislation in force at the time;

(f) meet any of the Standard Conditions of the Conveyancing and Feudal Reform (Scotland) Act 1970 which **you** have not met. If **we** have to do this, **you** will be responsible for all of **our** expenses and charges (including any interest) that **we** reasonably incur. The Standard Conditions are referred to in Part 4;

18.3. If **you** have become obliged to pay **us** the **Outstanding Balance** immediately under **Term 6.1** and **we** have issued a calling up notice in the manner prescribed by Section 19 of the Conveyancing and Feudal Reform (Scotland) Act 1970 demanding repayment of the **Outstanding Balance** in full and **you** have not complied with the calling up notice which **we** have issued:

(a) **you** shall be in default for the purposes of Standard Condition 9 of the Standard Conditions set out in the Conveyancing and Feudal Reform (Scotland) Act 1970; and

(b) **we** may exercise all other powers given to heritable creditors by (i) the Conveyancing and Feudal Reform (Scotland) Act 1970, and (ii) the Homeowner and Debtor Protection (Scotland) Act 2010 (this means that **we** are allowed to use all of the powers these pieces of legislation give to **us**, as lenders, to take the necessary steps to safeguard **our** security over **your Property** and seek repayment of the **Outstanding Balance**).

18.4. If **we** take possession of the **Property** **you** must remove all furniture and other moveable property (personal items) from the **Property** within 7 days and must not remove any fixed items from the **Property** without **our** agreement in writing.

18.5. If any furniture or moveable items are not removed within 7 days then **you** agree that **we** or any third party appointed on **our** behalf may:

(a) deal with them as **your** agents and at **your** expense;

(b) sell or otherwise dispose of anything which belongs to **you**, in which case **we** (or the receiver) will give **you** any proceeds received less all reasonable expenses of the sale; and

(c) remove and store anything which **we** know does not belong to **you**.

Please ask **your** legal adviser if **you** require further information.

19. Power of Attorney to act on your behalf

19.1. **We**, and (where applicable) any receiver appointed over the **Property**, may need to take certain action (including signing documents) on **your** behalf to protect **our** security. **You** therefore appoint **us** (and any receiver appointed over the **Property**) to be **your** attorney to take such action where necessary. This means **we** (and any receiver appointed over the **Property**) are legally entitled to act on **your** behalf. **We** are appointed for as long as the mortgage remains in force securing any money **you** owe to **us**.

- 19.2. If there are two or more of **you** named on the mortgage account, then **you** agree that **we** and any receiver appointed will be attorney for each of **you** individually as well as for all of **you** jointly.
- 19.3. **You** give **us** a power of attorney authorising **us** and any receiver to act on **your** behalf to take any action which **you** are obliged to take under these **Terms**, including but not limited to:
- signing and completing any document which is needed to make good any defect in **your** title to the **Property** or in the mortgage;
 - transferring **your** share or interest in any residents' society or management company, or **your** legal or beneficial interest in the freehold, or leasehold reversion of the **Property** when **we** exercise **our** powers as mortgagee to sell or lease the **Property**;
 - entering into any variation of **your** title to the **Property** in order to protect or enhance **our** security; and
 - settling any claim made by **your** landlord, management company or commonhold association (if **your Property** is leasehold or commonhold), or rent charge owner (if **your Property** is subject to a rent charge) if **we** think it reasonable for **us** to settle it in order to protect **our** security or maintain its value, even though **you** may dispute the sum claimed.

20. Compensation from Third Parties

- 20.1. **You** may at some time be entitled to recover money or damages:
- to correct or compensate for defects or damage relating to the **Property** or the title to it; or
 - for any breach of contract or wrongful act or omission which may have caused damage to the **Property** or to the title to it or caused **you** to accept the **Property** or the title to it in a damaged or defective condition.
- 20.2. If the **Property** suffers any damage for which compensation is or may be payable under The Criminal Damage (Compensation) (Northern Ireland) Order 1977, **you** will immediately tell **us** about the circumstances giving rise to the damage and **you** will make sure that a claim for such compensation is made within the timescales required under that Order.
- 20.3. If **you** recover money or damages pursuant to **Term** 20.1 or **Term** 20.2 above, **you** may use the money or damages recovered either towards making good the damage or defects or towards payment of the money secured by the mortgage.

PART 3 – GENERAL TERMS

21. When you borrow with someone else

If there is more than one of **you**:

- these **Terms** apply to all of **you** together and to each of **you** on **your** own;
- each of **you** can be held fully responsible for keeping to these **Terms**.

This means that **we** can pursue each of **you** individually and both of **you** together to recover the **Outstanding Balance**.

Any borrower can request a change to the mortgage account, without the consent of the other (except where the request is in relation to additional borrowing or in relation to any right in relation to the **Property**, in which case, all borrowers will be required to consent to this).

22. When we can transfer the Loan or mortgage

- 22.1. **We** may transfer, sell, assign, charge or otherwise dispose of **our** interest (in whole or in part) in the mortgage and the **Outstanding Balance** to another party at any time, in law or in equity on such terms as **we** may decide and without **your** consent.
- 22.2. Unless the terms of the transfer state otherwise, a transferee of the mortgage and **Outstanding Balance** will be able to exercise all the rights, powers and remedies which **we** are able to exercise before the transfer. In the event of a transfer **your** obligations to **us** under these **Terms** will continue for the benefit of the transferee.
- 22.3. **You** agree that **we** may at any time transfer all or some of **our** obligations under the mortgage (including these **Terms**) and the **Offer** to another person. If **we** do so, **you** will be able to enforce the transferred obligations against that person in the same way that **you** could enforce them against **us** before the transfer.
- 22.4. If **we** take any of the steps described in **Terms** 22.1 to 22.3 of the **General Terms**:
- it will not reduce **your** rights or increase **your** obligations under the mortgage (including these **Terms**) and the **Offer**; and
 - it will not reduce any guarantees **you** have under or by virtue of the mortgage (including these **Terms**) and the **Offer**.
- 22.5. **We** may disclose the following to any person who takes, or is about to take, a transfer, assignment, charge or other disposal of all or part of **our** interest in, or any of **our** rights under or in respect of, the mortgage and the **Outstanding Balance**, or who takes, or is about to take, a transfer of all or some of **our** obligations under the mortgage (including these **Terms**) and the **Offer**:

- (a) any information **you** gave **us** when **you** applied for any **Loan**;
- (b) any documents supporting **your** application;
- (c) any other information or documents **we** hold concerning the **Property**, the **Offer**, any other security **we** hold in respect of the **Outstanding Balance**, or the way **you** have performed **your** obligations under the **Offer** and these **Terms**.

Where any information or document which **we** disclose under this **Term** was originally supplied by **you**, **you** agree that the person to whom **we** disclose it may rely on its truth and accuracy.

22.6. **You** may not assign **your** rights or obligations under these **Terms** or the **Offer**.

23. How we will tell you about matters relating to your Loan or mortgage

If **we** have to tell **you** something, such as a change in **Interest Rates**, **we** will do so in English and send any notices, statements, letters or other documents by post to the last address **you** gave **us** or by email to the last email address **you** gave **us**. **We** will treat post as having arrived 5 days after **we** send it and an email as delivered one day after **we** send it. **You** must let **us** know straightaway if **you** change **your** name, address, email address or telephone number. If **we** lose contact with **you**, **we** may instruct tracing agents to locate **you** and **you** will be responsible for any costs and charges incurred.

24. Other Terms to be aware of

- 24.1. All communications between **you** and **us** may be monitored or recorded to improve the quality of **our** service and for **your** protection and security.
- 24.2. **We** will supply these **Terms** and otherwise communicate with **you** in connection with **your Loan** in the English language.
- 24.3. Where the **Property** is in Scotland or Northern Ireland **we** require that **we** hold the title deeds to the **Property**. Where **we** hold the deeds to the **Property** **you** may ask **us** to send them to **your** legal representative or to supply extracts from or copies of the deeds to **you** or **your** representative. **We** can impose conditions in doing so and **you** may have to pay a charge for these services.
- 24.4. Each of the provisions of these **Terms** are distinct from each other. If one or more provisions becomes illegal, invalid, void or unenforceable, this will not affect any of the remaining provisions and the remaining provisions shall apply as if the illegal, invalid, void or unenforceable **Term** had not been included.
- 24.5. Laws and regulations imply certain **Terms** into **our** agreement with **you**. For example, as well as the powers set out in these **Terms**, **we** and **you** both have some other legal rights. Unless these **Terms** explicitly disapply those rights, they will be applicable to **you** or **us**.

- 24.6. If **we** decide not to enforce any part of these **Terms** or delay enforcing it, such delay or inaction will not affect **our** right to enforce the same part at a later date.
- 24.7. **We** can change these **Terms** if it is reasonable to do so to:
 - (a) make them easier to understand or to make them fairer to **you**;
 - (b) change the way **we** look after **your** account as a result of changes beyond **our** reasonable control in the banking or financial system, technology or the systems **we** use to run **our** business; or
 - (c) reflect changes to the law, codes of practice or the way **we** are regulated.

We will give **you** at least 14 days' notice under **Term** 22 of the **General Terms** of any change to these **Terms**.

- 24.8. No person other than a party to the mortgage or a person who takes a transfer of **our** interest in the mortgage or the **Outstanding Balance** under **Term** 22.1 of the **General Terms** may enforce any rights under these **Terms** of the **Offer**.
- 24.9. These **Terms** are governed and construed in accordance with the laws of that part of the United Kingdom where the **Property** is situated.

25. Complaints

- 25.1. **We** strive to give **you** the highest standards of products and services. **We** understand that things don't always go to plan, and there may be times when **we** don't live up to **your** expectations. If this happens, **we** want **you** to tell **us**.
- 25.2. **We** want to resolve **your** complaint straightaway and, in the majority of cases, the first person **you** speak to will usually be able to resolve things for **you**, after which **you** will receive a letter confirming the resolution of **your** complaint. If **we** have not been able to do that by the end of the third business day after **we** have received **your** complaint, **we** will write to **you** to acknowledge **your** complaint and tell **you** who is dealing with it.
- 25.3. **We** will then keep **you** up to date while **we** are investigating **your** complaint, until **we** provide **you** with a formal resolution letter, as part of **our** procedure. In most cases reaching this stage, **we** will be able to resolve **your** complaint within two weeks of receiving it.
- 25.4. In exceptional circumstances, particularly where **your** complaint is complex, it may take over eight weeks to resolve matters for **you**. **We** will, however, write to **you** at that point to let **you** know **you** may be eligible to contact the Financial Ombudsman Service (FOS) to review **your** complaint. **You** can contact them on 0800 023 4567 or 0300 123 9123, write to them at the Financial Ombudsman Service, Exchange Tower, London E14 9SR, or visit their website financial-ombudsman.org.uk.

- 25.5. If **you** are unhappy with **our** final response to **your** complaint, **you** can ask the FOS for an independent review.
- 25.6. Alternatively, if **you** take out **your Loan** online or over the phone and **we** have been unable to resolve **your** complaint to **your** satisfaction, **you** can complain about the product or service received from **us** through the Online Dispute Resolution Platform (ODR). **You** can access and submit **your** complaint online via the Platform: <https://webgate.ec.europa.eu/odr/main/index.cfm?event=main.home.chooseLanguage>. The Platform will then send **your** complaint to the Financial Ombudsman Service for an independent review. If **you** want to make a complaint through the ODR **you** will need, **our** Name: Sainsbury's Bank plc, **our** email: SainsburysBankCustomerRelations@sainsburysbank.co.uk, **our** website address: sainsburysbank.co.uk and **our** geographic address: PO Box 12, Gateway House, Gargrave Road, Skipton, North Yorkshire, BD23 2HL.
- 25.7. For a full outline of **our** complaints procedures and how to make a complaint, please go to **our** website at: sainsburysbank.co.uk/contact/contact-customer-care.

26. Data Protection

- 26.1. This section explains in outline what personal information **we** collect about **you**, why **we** need **your** information and where **we** obtain it from.
- 26.2. For full details as to how **we** use **your** personal data please read the Sainsbury's Bank Group Privacy Policy which can be found at sainsburysbank.co.uk/legals/leg-reg-privacy-policy which is incorporated into these **Terms** by reference (the Privacy Policy). Please read the Privacy Policy carefully and in full as it contains important information regarding how **we** will use **your** personal data (and where applicable personal data relating to **your** financial associates e.g. a spouse) for the purposes of credit referencing for the purposes of entering and during the life of **your** agreement with **us**. If **we** intend to make use of **your** personal data for any new purposes which would be considered incompatible with the purposes for which it was originally collected, as set out in **our** Privacy Policy, **we** will notify **you** of such intended uses, prior to the commencement of any such processing.
- 26.3. **We** will regularly review the purposes for which **we** hold **your** personal data and will not hold it for longer than is necessary. **We** will also seek to minimise the personal data which **we** hold about **you** wherever possible.
- 26.4. **We may give details of your Loan and any information we hold in connection with it to another party if:**
- the law allows for such processing or says that **we** must;
 - we** have a public duty to do so (this includes giving information to the police if **we** think it will help them prevent or detect crime);

- it's necessary to protect **our** interests;
- the party is within **our** group of companies as set out in the Privacy Policy;
- we** sell **our** business assets either in whole or part;
- we** are discussing transferring the **Loan** in accordance with **Term 22** of the **General Terms**; or
- you** have given **us** permission to do so.

Credit Searches

- 26.5. As part of **your** application for the **Loan**, and where appropriate during the term of the mortgage, **we** will conduct searches with credit reference and fraud prevention agencies to check **your** identity, credit status and help **us** make decisions. Unless **you** have submitted a joint application for the mortgage **we** will assess **you** on **your** own (except where there is another party to this application).
- 26.6. **You** agree that information on the performance of **your** account(s) may be shared with Credit Reference Agencies and may be used by other lenders for credit assessment.
- 26.7. If **you** are provided with finance by **us** and do not repay in full and on time, **we** may tell credit reference agencies who will record the outstanding debt. These records will be shared with Fraud Prevention Agencies, other organisations and may be used and shared by **us** and them to:
- consider applications for credit and
 - credit related services or other facilities, for **you** and any associated person; and
 - trace debtors, recover debts, prevent or detect money laundering and fraud and to manage **your** account(s).
- 26.8. For further details as to how **we** and the credit reference agencies may make use of **your** personal information please read **our** Privacy Policy.
- 26.9. If fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering. Further details are contained in **our** Privacy Policy.
- 26.10. By entering into the mortgage with **us** **you** agree that **we** can use **your** information in the ways described above and as set out in **our** Privacy Policy.

Your Rights

26.11. Subject to any overriding legal obligations, requirements and/or exemptions, **you** have the right to:

- (a) object to **our** processing of **your** personal data;
- (b) request that **we** cease processing **your** personal data for the purposes of profiling;
- (c) ask **us** to correct incorrect personal data which **we** may hold about **you**;
- (d) request the erasure of personal data where it is no longer necessary for the purpose(s) for which it was originally collected (this does not affect **our** obligations to **you** as set out in these **Terms**); and
- (e) apply to **us** in writing, to obtain personal data held by **us** about **you** and/or obtain a portable copy of **your** personal data in a machine readable format.

To do so **you** can write to **us** at **Sainsbury's Bank, PO Box 12, Gateway House, Gargrave Road, Skipton, North Yorkshire, BD23 2HL**. Please note that **we** may ask **you** to provide a form of identification verification before **we** can deal with **your** request.

PART 4 – STANDARD CONDITIONS (SCOTLAND ONLY)

This Part 4 only applies if the Property is located in Scotland

For Properties located in Scotland, there are certain standard conditions which apply to all mortgaged properties. These conditions are contained in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended) (the "**1970 Act**") and **you** and **your** legal adviser should refer to them for full details. **You** should not rely only on what is set out in this Part 4.

The following table provides a brief summary of what the standard conditions mean, and when they have been varied by these **Terms**.

Standard Condition	What this means	Where is this dealt with in these Terms?
1. Maintenance and repair	<ul style="list-style-type: none"> • You must keep the Property in a good condition at all times and carry out any necessary repairs. • We, our employees, or agents are able to enter the Property after giving you reasonable notice so that we may carry out a valuation of the Property, inspect the state of repair and condition of the Property, carry out or complete any work which is needed to put right any failure by you to comply with these Terms. 	Term 13.1 applies in place of the Standard Condition
2. Completion of building and prohibition of alterations	<p>You must:</p> <ul style="list-style-type: none"> • complete as quickly as possible any unfinished buildings and works to our satisfaction; • obtain our written consent before demolishing, altering or extending any part of the Property; and • carry out any such demolition, alteration or extensions in accordance with all planning and related laws (and, if we ask you, show us evidence that this has been done). 	Standard Condition 2 applies
3. Observance of title conditions	<ul style="list-style-type: none"> • You must make sure that any conditions that apply to the Property are complied with and that payment of any charges and taxes relating to the Property are made promptly. 	Standard Condition 3 applies

4. Planning notices	<p>You must:</p> <ul style="list-style-type: none"> let us know the details of any planning notice relating to the Property within 14 days of receiving the notice; and object or make representations against any planning notice if we require you to do so. 	Standard Condition 4 applies
5. Insurance	<p>You must:</p> <ul style="list-style-type: none"> have in place buildings insurance for as long as your Property is secured for all money that you owe us; maintain a comprehensive policy against all usual house insurance risks for the cost of full reinstatement of the Property in accordance with our requirements; provide us with proof of the policy that is in place and proof of payment of the premiums if we ask you for this; and immediately contact us to let us know about any damage to the Property. 	Term 15 applies in place of the Standard Conditions
6. Restriction on letting	<ul style="list-style-type: none"> You must not grant, agree to grant, renew or extend any lease over all or part of the Property without our prior written consent. 	Terms 13.2 and 14 apply in place of the Standard Conditions
7. General power of creditor to perform obligations	<ul style="list-style-type: none"> We may perform any obligations under the Standard Conditions which you have failed to perform (we require to give you 7 clear days' notice before entering the Property). Any expenses and charges that we incur as a result of this, shall be recoverable from you in accordance with the 1970 Act. 	Standard Condition 7 applies
8. Calling-up	<ul style="list-style-type: none"> We are able to 'call-up' the mortgage in accordance with the 1970 Act. A calling-up notice ends the mortgage agreement and we are able to demand repayment of the whole of the Outstanding Balance, including the arrears and other Loan payments that are still to be made. 	Standard Conditions apply (as referred to in Term 18.3)

9. Default	<p>You will be treated as being in default under our standard security if:</p> <ul style="list-style-type: none"> a 'calling-up' notice has been served on you which has not been complied with; there has been a breach of the agreement between you and us; or you have become insolvent. 	Term 6 applies and Standard Condition 9 applies
10. Rights of creditor on default	<p>If you are in default, we may:</p> <ul style="list-style-type: none"> sell the Property; take over the Property and collect rents and other charges relating to the Property; lease the whole or any part of the Property; make any repairs required at the Property and maintain the Property; or apply to the court for a 'decree of foreclosure' (this is a court judgement that (i) fixes the outstanding mortgage debt, and (ii) orders the Property to be sold to repay that debt). 	Term 18.2 applies and Standard Condition 10 applies
11. Exercise of rights on redemption	<ul style="list-style-type: none"> You are able to redeem the standard security on giving us a 'written notice of redemption' in accordance with the 1970 Act. We may remove the need for, or the period of, the notice. Once all of your obligations under the Loan have been met, we discharge the standard security. 	This is dealt with in your Offer and Term 10 and Standard Condition 11 applies
12. Expenses	<ul style="list-style-type: none"> You are responsible for all expenses incurred in connection with your mortgage including but not limited to (a) operational costs, (b) legal costs, (c) costs to safeguard our security, and (d) arrears charges, in accordance with these Terms. 	Term 7 applies in place of the Standard Conditions

