

Summary of changes to the Barclays Bank Terms



Changes to the
Agreement between
clients and Barclays
Bank Plc, effective from
13 April 2021

Date of this leaflet:
February 2021

Section 1:

Changes to the terms and conditions that apply to both the investment services and banking services we provide

The updated terms give you the same key rights and protections that you have under the previous terms. We have focused on making sure that our terms are fair, clear and to the point. We've also moved some terms to different parts of the agreement, to make them easier to follow. However, we've made some changes that we should tell you about, including changes which reflect how things actually work in practice. We summarise these changes below.

Brexit

Following the United Kingdom's decision to withdraw from the European Union and the passing of the UK Withdrawal Agreement, the United Kingdom was in a Transition Period until 31 December 2020. This has now ended. New UK laws will replace existing EU regulation which currently applies to certain aspects of our relationship with you. As such, some terms (where possible) have been amended to account for this transition in regulation.

Definitions

We have made some changes to the definitions of certain words and expressions that we use in our terms which help clarify your and our rights and responsibilities under them.

Your eligibility to receive our services

To be eligible to receive our services you must meet certain eligibility criteria, and we have introduced these into the terms. All account holders on a joint account may need to fulfil this eligibility criteria. If at any time your residency changes, any other eligibility criteria ceases to be met, or if we have reason to believe that it has, we may take action. This action may restrict you from being able to use our services and we may terminate our agreement with you.

Please refer to Section A, Part 1, clauses 1 and 12.6 for more detail on this.

Your details

It is important that you tell us if your personal or contact details change, as if you don't, you might not receive information that could be important, and this may also affect your eligibility to receive our services. We have included a request in the terms for you to keep us updated of changes.

Customers in the Isle of Man, Jersey or Guernsey

We have created a new Section E in the terms to include provisions that apply only to accounts held in the Isle of Man, Jersey or Guernsey. All other terms will continue to apply to you if you reside in one of these jurisdictions, unless as set out in Section E.

Communicating with your Corporate Service Provider

If you have been introduced to us by a corporate service provider, and they are managing your account with us, we will treat you as our client. We have introduced a provision into the terms to say that if you consent, we may treat your corporate service provider as your agent for the purposes of contacting you, corresponding with you and notifying you of any changes to your Account. We will still provide you with your confirmation statements, Client Assets Statements and valuation reports as set out in the terms. You can change this at any time by notifying us in writing.

What happens on termination of an investment service

We have added in Section A, Part 1, clauses 12.11 – 12.16 to clarify what happens on termination of an investment service, if you do not tell us what you want to do with your assets within a reasonable time. We also explain what happens if income or receipts are received following termination of an investment service. In summary:

- we will make reasonable attempts to contact you and we may take reasonable steps as are necessary to return your investments and cash to you.
- if we transfer the relevant investment business to a third party, we may sell the investments and return the proceeds of sale to you.
- if any other income is received after termination of the investment service, Section A, Part 1, clause 12.15 will apply and we will again make reasonable attempts to contact you and we may take reasonable steps as are necessary to return your investments and cash to you.
- we reserve the right in Section A, Part 1, clauses 12.12 and 12.15 not to make any payments to you where the value is less than £5 or its equivalent. Any such payments may be donated to a charity of our choice.
- we may choose not to close your Account until you have repaid any money you owe us.

What happens on termination of a banking service

We have added new terms in Section A, Part 1, clauses 12.8-12.9 to clarify what happens on termination of a banking service. In summary:

- we may choose not to close your Bank Account until you have returned any payment instruments that we have given you (such as payment cards or unused cheques), and you have repaid any money that you owe us.
- you must cancel any direct payments to or from your Bank Account.

When we can change the terms of our agreement

We have made some amends relating to changing the terms of our agreement. We will only make changes where we think this is fair to you.

For most changes, we will give you advance notice and you will be able to terminate the agreement before the change comes into effect. The changes we won't tell you about in advance relate to the nature of the service (for example the exchange rate we set) are favourable to you, or are needed because of changes in law.

If you do terminate, we may hold onto any of your assets unless and until you provide us with the required information or make payment of the amounts you owe us in any other way, as set out in Section A, Part 1, clause 12.16.

We have also made some amendments to Section A, Part 1, clause 21.8, which explains what will happen if we decide we can no longer administer your account but can provide another account in respect of your assets.

We have added in Section A, Part 1, clause 22.9 to provide that we can change your dividend income instructions. We will only do this if you owe us money and we are entitled to sell any of your investments and exercise our rights of set-off, but are prevented from doing so, because we do not have your legal entity identifier (LEI) number or your personal identifier (for example your national insurance number), or any other information we need to complete the sale.

We explain the process around when we will be permitted to open a new account for you, which may not require you to complete a new application form. We will provide you with advance notice before we do this and if you do not want to be treated as accepting the terms you will be able to terminate at any time before the account is opened.

Where we provide you with a service that tracks a reference interest rate, or for changes to interest rates that are favourable to you, we may not tell you in advance of the change. We also won't tell you about changes to exchange rates for our currency conversion services.

If we have to change your sort code or account number we will tell you in advance and, if we can, redirect payments from your old sort code and account number.

Unallocatable fractions

Unallocatable fractions arise where assets held in a pooled account are affected by a corporate action (e.g. a scrip dividend), and the pooled entitlement needs to be divided among clients. This may mean that your share or unit of that pooled entitlement may have to be rounded down to the nearest whole number or fraction. The amount or value that cannot be applied to your Account from the pool is known as the "Unallocatable Fraction".

We have added in Section A, Part 1, clause 12.14 to clarify that if you receive any Unallocatable fractions on your account following notice of termination but before the closure of your account, these will be dealt with in accordance with the usual provisions on Unallocatable fractions in Section B, Part 8, clause 3.3. We may pay a cash equivalent of your entitlement to your account, and if the Unallocatable fraction would have a value of £5 or less, it may be paid to a registered charity of our choice.

But, if your entitlement to the Unallocatable Fraction is less than £0.01, we have added in permission for us not to credit your account with the relevant amount.

Requirement to deduct withholding tax

Where you are required to deduct withholding tax from amounts payable to us, you must "gross up" the payment so that the net amount we receive is equal to the full amount we would have received had the payment not been subject to a tax deduction. An example of the calculation is included in Section A, Part 1, clause 18.3

Section 2:

Changes we've made to the terms and conditions that affect the investment services we provide

You will have most of the same key rights and protections that you have under the previous terms. We have focused on making sure that our terms are fair, clear and to the point, and we have also changed the order of some of the terms and moved some terms to different sections. However, we've made some changes that we should tell you about, including changes which reflect how things actually work in practice. We summarise these changes below.

Suitability assessment

We carry out suitability assessments by asking you to confirm your personal and financial circumstances, your investment objectives and risk appetite and your knowledge and experience, so that we can act in your best interests. For discretionary investment management and ongoing advisory services, we used to do this twice a year, but because we also assess suitability when your circumstances change, we don't think twice yearly assessments are of a particular benefit to you. We will now assess suitability once a year and as before, we will still carry out an assessment more often if we consider it appropriate for you.

Leverage trading

We have added reference to leverage trading positions to make clear that we may require additional margin from you to execute such transactions.

Corrections

We have clarified that we will be responsible for the performance of any contract arising as a result of any error we make in executing your orders, and that your existing investments will not be affected, as far as this is possible.

If our error results in us going beyond your instructions, for example if we sell too many of your assets, we clarify that we will return equivalent assets back to you.

Settlement fails and buy-ins

We already covered what would happen in the event a trade failed to settle. Due to new regulations, there are certain additional actions we may need to take, even if the failure is not caused by you. This could include you being required to pay cash penalties (or you may receive the distribution of those penalties), initiate or participate in a buy-in process, or to receive cash compensation instead of a security or other relevant instrument. This might be required for a sale and purchase of a security and also the transfer and delivery of certain financial instruments, for example by collateral.

If you are required to participate in a buy-in process, you may be liable to pay the additional amount if the buy-in is more costly than the agreed price and you may also be liable to pass on the difference in costs if the buy-in was less costly than the agreed price.

Your income

We have made some changes to how you receive your income:

- we have removed the clauses relating to automatic dividend reinvestment, as this was not offered in practice.
- if we are notified of an enhanced scrip dividend and you have provided us with your dividend preferences, then instead of asking you whether you would like to take the scrip dividend in shares or cash, we will take the decision based on your preferences.

Market commentary

We want to make clear that when we provide you with market commentary, this does not form part of our Advisory services and so we will not be subject to the same obligations that apply when we do provide you with Advice. This is not a change but we have added a new clause 5 in Section B, Part 3.

Stocks & Shares ISA

We have made some changes to wording in Section B, Part 6:

- if any shares are not qualifying investments or cease to be qualifying investments, you can re-register the affected investments in your nominee's name (as an alternative to the options already included, i.e. re-register in your own name, or sell the investments and re-invest the proceeds into your Stocks & Shares ISA).
- if you die after 6 April 2018, we provide that tax relief will continue to apply to your ISA for 3 years, subject to meeting the criteria in the ISA Regulations.

Investment research

We have made some changes to Section B, Part 7 of the terms. Any investment research that we provide you with or give you access to is prepared by the Research Department within the Investment Bank of Barclays Bank, and you might be required to enter into further agreements to govern your access to it.

Pooling of assets

Where we provide Custody services to you, we may pool your assets with those of other clients. We have made some changes:

- we already said that we might take certain actions to prevent the unauthorised use of your assets for the account of any other person, but we have now added that we might take these actions to prevent the unauthorised use of your assets for our own account.
- these actions now include the option for us to delay market settlement, or to unwind transactions at our discretion, to prevent unauthorised use of other clients' assets. This will not affect our contractual obligations to you as regards to settlement of trades.
- We also provide that we can offer individual client segregated accounts, where permitted. If you want request such an account, an additional fee may be payable.

Corporate actions and voting rights

Where we provide Custody services to you, we already said that unless we agree otherwise, we would not be responsible for taking corporate actions or exercising voting rights in relation to your assets. Additionally, we have provided that (to the extent this is permitted by Regulatory Requirements):

- we will not be obliged to notify you or obtain your instructions.
- if we do seek your instructions, we may take such action as we consider appropriate (including taking no action), even if you do send us instructions within the deadline we set.
- if we seek and receive instructions from you in relation to assets held in a pooled account, we may also be unable to action your instructions if we are not permitted to provide two different instructions in relation to assets held within the same account.

- if we are required to notify you of a corporate action and you have not provided us with the necessary information or authorisation to enable us to notify you electronically, you nominate us to receive the corporate action information on your behalf. We will use reasonable endeavours to notify you of the corporate action but if we are unable to we will not be responsible for any losses incurred.

But, if we provide you with discretionary management services, we will now agree that you grant us full authority to manage and exercise voting rights in relation to your assets.

Best Execution Policy

We have made some changes to the summary of our Best Execution Policy to make sure this is clear, but the policy and the way we execute transactions for you has not changed.

Investment risk warnings

We have made some changes to the investment risk warnings, to make sure the explanations we are provide to you are clear, and covers the key risks you may be exposed to when using our investment services.

Section 3:

Changes to the terms and conditions relating to your bank account

The updated terms give you the same key rights and protections that you have under the previous terms. We have focused on making sure that our terms are fair, clear and to the point. However, we've made some changes that we should tell you about, including changes which reflect how things actually work in practice. We summarise these changes below.

Confirmation of Payee

Confirmation of Payee is an account name checking service we have recently introduced, which should help you make sure you are paying the right person. Before accepting certain payment instructions, we will check with the bank receiving the payment whether the account details provided by you match the details they hold. We will show you the bank's response (either a match, close match, no match, or that a check was not possible). In the event of a close match we will present the account name held with the bank receiving the payment to enable you to check you are paying the right person and if required, change the payment instruction. You will be asked to confirm if you still want to proceed with the payment instruction based on the Confirmation of Payee response.

If you proceed with the payment but the receiving bank's response was that there was no match, a close match, or the check was not possible, we will not refund you if the bank says it hasn't received the payment.

But, if the receiving bank provided us with wrong information, that bank will be liable for returning the money and we will make reasonable efforts to help. If we are responsible for providing you with the incorrect Confirmation of Payee response or we didn't provide you with sufficient warnings about paying the correct person, then we will refund the money to you as soon as we can.

Dormant Accounts

We have removed the provisions indicating that we participate in the Unclaimed Assets scheme, as we did not participate in practice. We will still handle any dormant accounts and comply with our obligations to you.

For customers in Jersey and the Isle of Man, we do participate in the Jersey Reclaim Fund and Isle of Man Dormant Asset Fund.

Non-sterling transaction fee

We are changing our non-sterling transaction fee from 2.75% to 2.99% of the transaction amount. We will apply this charge to all debit card, Pingit card and Pingit device transactions in currencies other than sterling.

This change will not apply if you're making a payment in a currency held in your Travel Wallet.

Faster Cheque Clearing

The law relating to the processing of cheques has changed, and this allows us to use cheque imaging which means that cheques clear more quickly. All sterling cheques drawn on a bank in the UK, Channel Islands or Isle of Man are now processed using cheque imaging. If we get the cheque on a Working Day (Monday to Friday, except public holidays) and before the cut-off time, the money will be available before midnight on the next Working Day. That is also when you will start earning interest if you have an interest bearing account. If a cheque is paid into the post office, we will start the process when we receive it, which is normally the next Working Day.

Foreign cheques

We have introduced some terms to explain what happens when you deposit a foreign cheque into your account. In summary:

- we might be able to negotiate the cheque if you need the funds quickly. If the paying bank later rejects the cheque, we will then take the money from your account. This may be different to the amount paid in, depending on the exchange rate and any costs we incurred in trying to get the cheque paid for you.
- we might collect the cheque by sending it to the paying bank. We'll only pay you once we have cleared funds, either in the foreign currency if you have an account with us in the currency, or we will convert it to sterling using the applicable exchange rate. We may also charge you a fee, but we will tell you the amount of the fee before we collect the cheque.

Card payments or withdrawals in a currency other than sterling

We have introduced some terms to explain what happens when you make card payments in a foreign currency. In summary:

- the applicable exchange rate will depend on the date the card payment is processed, and might be different from the date you made the payment.
- we explain that in some countries ATM or card terminals may offer you to make the payment in sterling. If you select this option, the exchange rates will be set by that provider and won't be under our control. If you want us to convert the amount, you should choose to pay or withdraw cash in the local currency and not sterling.
- we've also made it clearer if we perform the currency conversion (rather than if you've asked the ATM or card terminal provider to do it) our exchange rate is made up of the relevant card scheme reference exchange rate (this will depend on whether there is a Visa or Mastercard logo on your card) plus our non-sterling transaction fee. Remember, you can find details of the non-sterling transaction fee in our Tariff.
- you can now see the cost of the currency conversion as a percentage mark-up against the European Central Bank (ECB) rates for several currencies at our webpage [barclays.co.uk/travel/using-debit-card-abroad](https://www.barclays.co.uk/travel/using-debit-card-abroad). This webpage allows you to compare our rates to the rates issued by the ECB. You can also use the information to compare rates offered by other providers. Because it might take a day or two for your payment to be processed, our rate might be different at that time.

International payments

We have added in a term asking you to make sure you comply with local exchange control restrictions, including required approvals, when you make international payments to or from your account with us. This requirement would already have applied to you under relevant local laws, but we have added this into the terms.

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