

GENERAL INFORMATION ON CHANGES TO PAYMENT SERVICES

Introduction

The new legislation relating to payment services will introduce a number of benefits for customers. The legislation requires all banks to provide customers with certain information regarding the different types of payments which customers can make from their account(s) and cover:

- information you have to provide us for us to make a payment;
- the time it takes for payments to be made;
- details of your and our responsibilities in respect of payments you ask us to make and when a refund is payable by us;
- how we can vary or terminate our agreement(s).

Consequently, this information has been made easily available for you under our Payment Services Conditions (PSC).

Outline of main changes

1. Types of payments covered

The legislation only applies to payments made in Euros, Pounds or another currency of European Economic Area (EEA)*, and only applies to payments that are made within the EEA. If you make a payment to, or receive a payment from a sender outside the EEA or in a non-EEA currency, no changes will be applicable.

2. Costs of payment services

Our current fees and charges for payment transfers can be found under <http://www.garantibank.eu/>. We may vary these fees and charges in accordance with the terms of the PSC. Please note that if you ask us to make a payment in a foreign currency, unless we have agreed a fixed rate with you for a particular transaction, the exchange rate used to convert any currency payments into or out of your account will be our reference exchange rate for that currency which is current at the time the payment instruction is processed. Our reference exchange rates will be available on our website and through telephone inquiry. We may apply changes to the reference exchange rate immediately and without notice. Please refer to the PSC for further detail on this matter.

3. Costs of international payments

International payments effected within the EEA will only be made on the basis of shared costs. This means that the payment originator and the payment receiver will each be liable to cover the charges applied by their own bank. If GBI receives a payment instruction that wrongly includes the instruction “costs to be borne by us” or “costs to be borne by recipient”, we shall implement the instruction on the basis of shared costs.

*EEA means all the member states of the European Union and Iceland, Norway and Liechtenstein.

4. Timing of Payments

4.1 What is changing?

All banks in the EEA will be required to meet the same time limits for payments to be sent and received for money paid to customers to be available for them to use.

4.2 When will payments into my account be available?

Payment transfers received in EEA currencies, even if sent from outside the EEA will be credited to your account with the same date as the transaction value date. If interest is paid on your account, it will also start earning interest immediately thereafter. The PSC set out our terms for when we “receive” payments, as this varies according to the way in which the payment is made (see paragraph 4 below).

4.3 When will payments out of my account be made?

The European banking industry is taking steps so that all banks make sure that payment(s) generally arrive no later than the next banking day after an instruction to make the payment is received. The legislation allows for EEA wide system updates until 2012, until which time all banks are allowed to send payments so that the recipient’s bank gets the funds in three business days. The bank receiving the payment, if located in the EEA, will be required to credit its customer’s account on the day it receives the payment from us.

4.4 Are there any exceptions?

There are three exceptions when payments may take longer:

- If payment instructions are received on paper (for example by writing to us), it may take up to one additional business day for the payment to reach the recipient’s bank;
- We will not always start processing your payment or instruction on the day you give it to us, this is explained further in the PSC and under paragraph 4 below);
- If you order a payment in a non EEA currency.

5. Processing of Payment instructions

The processing of payment instructions shall take place if received within our cut-off times subject to the terms of the PSC. Payment instructions may be refused if the relevant conditions set out in the PSC have not been met.