

BLACK HORSE FLEXPAY DRAFT CREDIT AGREEMENT

Credit Agreement regulated by the Consumer Credit Act 1974

These are the conditions of an agreement between “us”: MBNA Limited (trading as Black Horse) (company number 02783251) of Cawley House, Chester Business Park, Chester CH4 9FB, any person we may transfer our rights to and “you”:

Name of customer:

Address:

The credit intermediary was:

MBNA Limited is part of the Lloyds Banking Group.

1. WHAT IS FLEXPAY?

FlexPay is a credit account. You'll be able to use credit up to your credit limit to pay for different purchases online or on your smartphone from selected retailers that accept FlexPay. You can use FlexPay by selecting the FlexPay button at the retailer's checkout. You'll then need to log in using your security details. You can only apply for, and use FlexPay, if you are based in the UK.

You can use FlexPay in two different ways:

(1) **Main balance:** you can choose to use your FlexPay main balance. This means that you can choose how much to repay us each month, as long as you pay at least the contractual minimum payment.

(2) **Instalment plans:** you can spread out the cost of your purchase equally over a fixed period of time by setting up an instalment plan. You can see what instalment plans are available and what the monthly payment will be during checkout. Instalment plan availability is subject to the purchase amount and the retailer.

You can choose whether to use your main balance or set up an instalment plan and complete the purchase with FlexPay. Either way, we'll pay the cost of your purchase to the retailer directly. You'll be able to see all the purchases you make using FlexPay by logging into your FlexPay account online or on the app.

You can cancel an instalment plan at any time. If you cancel, the amount you owe us on that instalment plan will move to your main balance and will be charged at your standard interest rate. This will usually be higher than the interest rate on your instalment plan. See “**4. How much will it cost me to use FlexPay?**” for more information.

2. WHAT PURCHASES CAN YOU USE FLEXPAY FOR?

You can use your main balance for a purchase as long as:

- the purchase is at least £1;
- completing the purchase won't make you go over your credit limit; and
- you are not in arrears (see “**8. What happens if you miss a contractual minimum payment?**”).

You can set up an instalment plan for a purchase as long as:

- the purchase is at least £100 (this minimum may be higher for a long-term instalment plan);
- you have at least 5% of your credit limit free after you set up the plan; and
- you are not in arrears (see “**8. What happens if you miss a contractual minimum payment?**”).

You shouldn't use FlexPay for:

- gambling;
- digital currency purchases, including cryptocurrency;
- foreign exchange transactions or other cash equivalent transactions; or
- any other purchases we tell you from time to time.

You can check our website or app for a full list of the types of transactions that are excluded. Please note that this list may change from time to time.

You can also find a list of retailers who accept FlexPay on our website or in the app. We'll keep this list up to date.

3. **WHAT IS A CREDIT LIMIT?**

Your credit limit is the total amount you can borrow under this agreement. We'll tell you what your credit limit is when we give you access to FlexPay. You'll then be able to make purchases with FlexPay straight away.

We set your credit limit based on your financial status but you can tell us you would like a lower credit limit at any time.

After each payment you make to us, you'll free up more of your credit limit. You can then use this to make more purchases. To check how much of your credit limit is available at any time you can log into your FlexPay account online or through the app. You can also check your available credit during checkout.

We'll review your credit limit every so often. If we lower your credit limit, we'll contact you.

4. **HOW MUCH WILL IT COST ME TO USE FLEXPAY?**

We charge you a standard interest rate on the purchases you make using the main balance.

For instalment plans, the interest rates and durations available will be displayed at checkout. The rates and durations offered will change from time to time. However, once you set up an instalment plan, that plan will have a fixed interest rate for its duration, unless the plan is cancelled. For an instalment plan, we charge daily interest on the balance outstanding at the plan's interest rate until the plan is repaid. This is added to your balance on your statement date.

When we show you the instalment plan at checkout, we work out the monthly instalment as follows. We first add up all the interest that will be charged over the term of the instalment plan, then add the plan amount, and divide that by the number of instalments.

You can check which rates apply to any instalment plan you have set up by logging into your FlexPay account online or through the app. You can also check this by looking at your monthly statement.

If you choose to cancel an instalment plan, or you don't make the scheduled payment on time (see "**9. What is the scheduled payment?**"), the amount you owe us on that instalment plan will move to your main balance and it will be charged at the standard interest rate.

The standard interest rate we apply to your FlexPay main balance is <XX%> (simple rate) and <XX%> (effective rate).

The **simple rate** means the actual rate we use to calculate how much interest we charge you. Simple annual rates are based on a 365-day year.

The **effective rate** shows the effect of compounding the simple rate over one year. Compounding is when we charge interest on your balance, including on any interest we charged before.

For the main balance, we calculate interest daily based on the total amount you owe on the main balance. We add together all the daily interest amounts in each statement period and add the total to your balance on your statement date.

The exception to this is that we do not charge interest on purchases that are made using your main balance during your latest statement period. This applies if you pay off your main balance and any payments due under your instalment plans by the payment due date.

The standard simple interest rate is linked to the Bank of England Base Rate (the "**Base Rate**"), so it will change when the Base Rate changes. We may change whether or not the standard simple rate is linked to the Base Rate in the future. We may also change your standard interest rate for other reasons. If we make such changes, we'll write to you. See "**17. Making changes to the agreement**" for more information.

Example cost - APR:

The APR allows you to compare this agreement with those of other providers at the time you sign it. When we calculate the APR for the purposes of this example, we assume that:

- we both keep to the terms of this agreement;
- your credit limit is £1,200;
- you make a £1,200 purchase straight away using the main balance;
- you repay this amount over one year with 12 equal monthly payments, plus interest at the standard interest rate;
- you don't make any new purchases; and
- we don't change the standard interest rate.

APR <XX%>

Total amount payable <£XX>

The total cost of credit and APR is made up of only interest. These figures are examples only - they might be different for you, depending on how you use FlexPay.

5. HOW MUCH DO YOU NEED TO PAY EVERY MONTH?

If you have an outstanding balance you need to pay off, we'll give you a statement every month, which will set out:

- 1) the minimum payment, which covers your contractual minimum payment and any payments you have missed; and
- 2) the scheduled payment.

6. **WHEN DO YOU NEED TO PAY?**

You must make at least the contractual minimum payment by the payment due date each month. The monthly statement will tell you when your payment due date is.

You can always pay more than the contractual minimum payment and you can pay off all or part of your balance at any time (see “**14. Early repayment in full**”).

You may change your payment due date up to twice in any 12-month period.

We do not treat payments as received until they reach us in cleared funds. You may need to allow extra time for clearance.

7. **WHAT IS THE CONTRACTUAL MINIMUM PAYMENT?**

The contractual minimum payment is the higher of £5 or the total of:

- any interest charged; plus
- any default charges payable; plus
- 1% of the full balance you owe (including interest and charges).

If you owe less than £5, you must pay the full amount you owe.

If you only pay the contractual minimum payment and do not pay any instalment plans for that month, then all your instalment plans will be cancelled. If your instalment plans are cancelled, the amount you owe on them will move to the main balance and be charged at a higher interest rate.

You should avoid only paying the contractual minimum payment for long periods of time. Only paying the minimum means repayment will take longer and cost you more in interest. Should you need help with your payments, please contact us as soon as possible.

If you are in persistent debt, then we'll contact you to see if you can increase your monthly payments. You are in "persistent debt" if you have paid more in interest, fees and charges than you have paid off your balance over the previous 18 months. Should you continue to be in persistent debt, we may take steps to help you repay us within a reasonable period of time and help you not to fall into persistent debt again.

We may also apply your payments in a different order than the one in “**12. How will payments be applied?**” so that your persistent debt balance is paid off before any new purchases. If we do this, we'll only do it in a way that doesn't cost you more in interest overall.

8. **WHAT HAPPENS IF YOU MISS A CONTRACTUAL MINIMUM PAYMENT?**

If you fail to pay your contractual minimum payment in full, you'll be in arrears. You must immediately pay the amount of any missed payments. We'll include this in the monthly payment we ask you for in your next statement. You won't be able to use FlexPay until you have paid your missed payments in full.

You'll also have failed to pay all the amounts due under any instalment plans you have. This means that all your instalment plans will be cancelled and the amounts you owe us will be moved to the main balance.

If we do not receive your contractual minimum payment in cleared funds by the payment due date, we'll apply a default charge of £12. We do not charge interest on default charges for the first 28 days after the day we give you notice (usually in your statement) they are payable. After that, we charge simple interest at a rate of [X.XX]%, so we won't charge interest on interest.

Missing contractual minimum payments can have severe consequences. These include legal action against you to recover your debt or negative feedback from us to credit reference agencies. Such consequences may make getting credit more difficult for you in the future.

When recovering your debt, we may ask for a court to order that your home is sold, or an order that we are paid from the sale proceeds of your home. If you continue to miss contractual minimum payments, we may sell your debt. If we sell your debt, the purchaser may take similar legal action to recover the money you owe.

We may also charge you reasonable costs for enforcing this agreement, for example, court costs, tracing costs and third-party collection costs.

9. WHAT IS THE SCHEDULED PAYMENT?

Your statement will set out the scheduled payment, which is the amount you must pay to keep your instalment plans in place. It will be:

- (a) any interest charged on the main balance; plus
- (b) any default charges payable on your statement; plus
- (c) 1% of the main balance; plus
- (d) the monthly amounts due under any instalment plans you have.

10. WHAT HAPPENS IF YOU DON'T PAY THE SCHEDULED PAYMENT?

If you don't pay the scheduled payment in full, then any instalment plans that remain unpaid will move to the main balance. We apply your payments to your balance in the order set out in "**12. How will payments be applied?**".

11. HOW CAN YOU MAKE YOUR PAYMENTS?

For details on how to make payments, log into your FlexPay account online or in the app, or see your monthly statement. As FlexPay is a digital product, we can't accept payment by cheque. If you need any help with making payments, please contact us.

12. HOW WILL PAYMENTS BE APPLIED?

Making a payment will reduce your total balance as soon as we receive it, but it won't show against individual plans straightaway. Instead, we do this before your next statement date. To reduce your balance, we take the total you have paid since your current statement and apply it against your balance as follows:

- (a) We'll first apply it to any missed payments;
- (b) If you owe us money on your main balance, we'll apply your repayments to the part of the contractual minimum payment that relates to your main balance;
- (c) We'll apply any money that is left over against your instalment plans up to the monthly instalment amount of each plan. This will start with the instalment plan with the highest interest rate. If there is more than one instalment plan with the same interest rate, we'll pay the oldest plan first.

If you pay more than the scheduled payment, we'll apply the excess against any money you owe on your main balance. We'll use any money left to reduce the balance of any instalment plans in the same order we describe above. This won't change the amount of each monthly instalment, but it means your instalment plans will be paid off more quickly.

We'll apply your payments to the balances that show on your statement before we apply them to purchases that haven't yet appeared on your statement.

13. **WHAT HAPPENS IF YOU GET A REFUND?**

If you receive a refund or other similar payment in relation to a purchase that you have made with FlexPay, then the refund will apply in the order set out in "**12. How will payments be applied?**". The exception to this is if you set up an instalment plan for that purchase, in which case the refund will be applied to that instalment plan.

If the amount of the refund repays the instalment plan and there is still money left over, we'll apply the extra amount to the balance of your other instalment plans. This will start with the oldest instalment plan.

If the refund repays only part of the instalment plan, the monthly instalment for the plan will stay the same, but the plan will be paid off more quickly.

14. **EARLY REPAYMENT IN FULL**

You can repay the full amount you owe us under this agreement with no extra charge at any time, by making a one-off payment (see "**11. How can you make your payments?**").

You must not pay more than your outstanding balance because you should not keep money in your FlexPay account. If you accidentally pay more than you owe us, we can apply the excess amount to any purchases you later make using FlexPay. We can also return it to you.

15. **OPERATING YOUR FLEXPAY ACCOUNT**

Keeping your security details safe

You must:

- follow instructions we give you that we reasonably consider are a requirement to protect your security details from unauthorised use;
- not let anyone else use your security details or access information on your FlexPay account; and
- do all you reasonably can to prevent anyone else finding out your security details.

For example, you should not:

- tell anyone your security details;
- choose obvious passwords or codes (such as your date of birth) as part of your security details; or
- let anyone listen to your calls with us, or watch you using your security details.

You should tell us as soon as possible (using "**21. Our contact details**" below) if someone has stolen or misused your security details (or you think this may be the case). Nobody else should have access to information on your account unless there is a separate agreement with us, or they are an Account Information Service Provider ("**AISP**").

We'll let you know if there's a fraud or security risk to your FlexPay account. We'll do this by sending you a secure message, emailing, writing or calling you.

Access for Account Information Service Providers

An AISP provides online account information services. You can give AISPs your permission to access certain information about your FlexPay account and accounts you hold with other providers to give you an overall view.

An AISP must be open and transparent about its identity and act in line with relevant legal and regulatory requirements. We'll treat any instruction from an AISP as if it was from you and the terms of this agreement will apply.

We may prevent an AISP accessing information about your FlexPay account if we reasonably suspect it of unauthorised or fraudulent access. Before we do this, we'll tell you and explain our reasons. However, if this is not reasonably practicable, we'll tell you immediately afterwards. In either case, we'll tell you in the way we think is more suitable in the circumstances. But we won't tell you if it would compromise our reasonable security measures or telling you would be unlawful.

We may make available to an AISP a certain way of accessing information about your FlexPay account. If we do, and it tries to access it in a different way, we may refuse that access.

When you consent to an AISP accessing your account data so it can provide account information services, you are asking us to share your personal information with the AISP. This will be personal information that is a reasonable requirement for it to provide you with its services.

You have the right to withdraw any permission given to an AISP if you no longer want it to have access to your account information. You must let us know if you withdraw this permission and should let the AISP know as well. We'll then make sure we do not give further access to that AISP but your access to your FlexPay account will continue, subject to this agreement.

16. WHAT HAPPENS IF THERE IS AN ISSUE WITH YOUR PURCHASE?

If the product or service you bought is unsatisfactory

If you use FlexPay and the cost of an individual item is more than £100 but not more than £30,000, you may have the right to make a claim against the retailer, or us, or both. This is only if the product or service is unsatisfactory, not supplied, supplied only in part or does not match the retailer's description.

If a purchase is unauthorised

You must take steps to keep your security details safe (see "**15. Operating your FlexPay account**"). If you become aware of an unauthorised purchase that was made using your FlexPay, you should tell us as soon as possible. You only have to pay us anything for these purchases if we can show that you authorised someone else to make those purchases on your behalf.

What happens when a purchase is disputed?

If there is a dispute over a purchase, we'll suspend both that purchase and charging any interest on that purchase while we investigate. If you have already received your statement for that month, you'll need to make your scheduled payment as requested. But the suspension means we won't ask you to make any payments after that statement for that purchase while we investigate. It also means you can't use that part of your credit limit for other purchases. We may talk to the retailer as part of our investigation if we need to.

If we investigate and decide that the dispute has been resolved and the purchase was valid, we'll put the transaction back to what it was before we suspended it. Where the disputed purchase was on an instalment plan, the instalment plan will start again from the date we suspended the transaction.

You must give any information and help we reasonably request to deal with misuse or unauthorised access to your FlexPay account. You must also give any information and help we reasonably request about any transaction that we, the police or other authorities are investigating. We may pass related information to:

- other lenders or banks;
- those involved in processing card transactions; or
- the police and other authorities in the UK or (if appropriate) abroad.

17. MAKING CHANGES TO THE AGREEMENT

Changes connected to Base Rate changes

The standard simple interest rate will change automatically in line with changes to the Base Rate (you can find this on the Bank of England's website). However, your standard simple interest rate won't track any movements in the Base Rate below 0%. If the Base Rate is ever below 0%, we'll treat it as if it is 0% when we work out your standard simple interest rate. The change will take place on the next working day after the Bank of England publishes the change to the Base Rate, unless you're a new FlexPay customer. For a new FlexPay customer, your interest rate will change on the day after the date of your first statement. We'll confirm your new interest rate on the next statement we give you after the change happens.

The standard simple interest rate may stop tracking the Base Rate if you are in persistent debt for two back-to-back 18-month periods. If we decide that the standard simple interest rate should stop tracking the Base Rate this means it will stop moving up and down in line with the Base Rate. Please note that we may change the standard simple rate for other reasons.

Other changes

As this agreement could last a long time, we may need to change its terms occasionally. We can foresee some of the reasons why we may want to do this and have listed them below. In the future, we may also want to make changes for other reasons.

From time to time, we may change the standard interest rate, fees or any other term in this agreement for the reasons set out below.

Reason	For example
A change in the cost of running our accounts, including changes in our funding costs.	We may have to change what we charge you for borrowing. We will do this if there is a change in the amount we have to pay to borrow the money we lend our customers. We will also do this in response to a change in our costs for providing FlexPay. We won't seek to recover the same cost twice.
A change in law, regulation, code or industry guidance that applies to us, including a requirement of a court, ombudsman or similar body, or an undertaking we give to a regulator.	We may have to update our security terms because new legislation introduces tighter standards. We may have to change your agreement if a regulator requires us to treat certain customers in a particular way. This may include customers with longstanding debt or customers at risk of falling into persistent debt.

A change to move you back onto more standard terms, interest rates or fees. (This may apply if we had previously changed any of those because of your personal circumstances).	You may have previously fallen into persistent debt and your terms, rates or fees may have changed as a result. If you pay off your separated persistent debt balance, we may change your terms, rates and fees back to more standard pricing and terms.
A change in the products or services we provide or how we provide them, including our IT and accounting systems.	We may need to make changes if we introduce new services. We may make changes if a change to our computer systems means we can no longer provide a feature of your account. We may also make changes if we need to provide a feature of your account in a different way.
Any other change that affects us, if it is fair to pass on its impact to you.	We may introduce new measures to combat fraud.
To do something positive for you.	Our terms may have to change to provide services in a new way or right a mistake. Our terms may change to make them clearer or more favourable to you, or because new technology allows you to use FlexPay in new ways.

If we make a change for any of the reasons set out above, the change will be a reasonable and proportionate response to a change that is affecting us, or that we reasonably think will affect us.

We can also make changes (except changes to default charges) if our view of your ability to pay us what you owe on time changes. This may be for reasons such as the information we receive from credit reference agencies. This information will be about changes in your financial status and how you've managed your FlexPay account.

We'll tell you in writing about any changes (except changes to your standard interest rate because it is linked to the Base Rate) at least 60 days before we make those changes. However, if a change is not to your disadvantage, we'll tell you at least seven days before we make that change.

If you do not want to accept a change, you can close your FlexPay account and end your agreement at any time.

Where there is a balance on your FlexPay account when you close it, you'll repay it at your existing interest rates. If your rates are linked to the Base Rate, we'll unlink them as described above. We'll do this as long as you:

- tell us within 60 days of the notice to increase the interest rate; and
- pay off the outstanding balance over a reasonable period.

However, any other changes and the new terms and conditions will apply, unless we tell you otherwise.

18. **WHEN WE CAN SUSPEND YOUR USE OF FLEXPAY**

As well as the limits set out in “**2. What purchases can you use FlexPay for?**”, we may stop you from using FlexPay if:

- (a) you've missed payments and haven't paid them yet;
- (b) we consider it necessary as a responsible lender because there is, or is likely to be, an unacceptable or increased risk of you not repaying what you owe us. This could be because of how you manage your FlexPay account or other accounts you have with us. This could also be because of information we get, including from credit reference agencies or debt advisors. It could also be because we find out that you are bankrupt or have made an arrangement with your creditors;

- (c) we have reasonable grounds for suspecting misuse of FlexPay or any other account you have with us. This includes fraudulent or unauthorised use. It also includes where your usage seems unusual compared to how you normally use your accounts;
- (d) we have suspended your access to the app or your FlexPay because of security concerns;
- (e) we believe you have held debt on your FlexPay account for a prolonged period, considering what you have repaid. When assessing this, we'll take into account the likely time it would take you to repay your main balance, based on your repayment pattern;
- (f) allowing a purchase would cause a breach of this agreement;
- (g) we have reasonable grounds for suspecting that you or another person has committed, or is about to commit, a crime or other abuse that relates to the use of FlexPay or any account that you have with us;
- (h) we consider that not doing so may cause us (or another Lloyds Banking Group company) to breach a legal requirement;
- (i) we consider that not doing so may expose us to action from any government or regulator; or
- (j) your FlexPay account has been closed or we have provided notice to close it.

In any of the above situations, we may not always be able to give advance notice of the suspension. If we suspend use of your FlexPay account, we'll let you use it again once we are satisfied the reason no longer applies.

You can contact us to find out why we have stopped you from setting up a new plan. We can then tell you whether or not you can take action to fix the problem that led to the suspension. However, we won't tell you if applicable laws or regulations prevent us from doing so.

19. **CLOSING YOUR FLEXPAY ACCOUNT**

This agreement has no fixed or minimum duration and you or we can end it. You may close your FlexPay account and end the agreement at any time by telling us (see "**21. Our contact details**").

We may close your FlexPay account immediately if:

- (a) there is illegal or fraudulent activity on or connected to your FlexPay account or any account you have with us;
- (b) you are or may be behaving improperly – for example, in a threatening or abusive way;
- (c) continuing the agreement may expose any company in the Lloyds Banking Group to action from any government, regulator or other authority or may break a legal or regulatory requirement; or
- (d) you have seriously or repeatedly broken this agreement in any other way.

In any other case, we'll give you two months' notice in writing to close your FlexPay account and end the agreement.

If either of us gives notice to close your FlexPay account and end this agreement, then once any required period of notice has ended:

- (a) your FlexPay account will close and you won't be able to use it for any more purchases;
- (b) you must continue to make your monthly payments until your balance and any interest you are charged are paid off.

This agreement will continue until you have repaid all amounts you owe us. This includes amounts added to your FlexPay account after notice was given. However, your standard simple interest rate will no longer be linked to the Base Rate. Your agreement won't end until you have paid everything you owe.

We may close your FlexPay account and require immediate repayment of everything you owe under this agreement if you:

- die;
- are made bankrupt, apply for a Debt Relief Order or make an individual voluntary arrangement with another lender;
- act fraudulently; or
- break this agreement repeatedly or seriously.

However, before demanding payment we'll always follow legal requirements for your protection.

20. **COMMUNICATIONS**

We provide this agreement in English and will communicate with you in English. You can see a copy of this agreement at any time by logging into FlexPay online or through the app.

FlexPay is only available through the app and online. You agree that we can communicate with you and send you statements, notices and other documents electronically. If you need paper copies in the future because you can't access your FlexPay account electronically, please contact us.

We'll contact you using the details you give us in a way that we think is suitable. This can include email, text, telephone call, a message in your statement or providing information in your secure personal area in the app. There may be cases where we have to send you something by post.

We'll register you for our free alerts service so we can send you messages about certain activity relating to your FlexPay.

You must tell us if your name or contact details change by calling us or by logging into your FlexPay account online or through the app. Otherwise, we'll continue using the details you last gave us.

We are not responsible if we can't contact you or if we send confidential information to the wrong address using those details. We may ask you for proof of some changes. You must provide this proof promptly, otherwise we may either stop you using FlexPay or close your FlexPay account.

21. **OUR CONTACT DETAILS**

You can contact us by:

- writing to us at Black Horse FlexPay, PO BOX 376, Lowton Way, Hellaby, Sheffield, S98 1GQ; or
- calling us at 0345 2680 831, or 01268 653744 if you're outside the UK.

Please include your FlexPay account number when contacting us so that we can identify you more easily. You can find your FlexPay account number in your monthly statement or when you log on online or into the app.

We may keep a record of your calls, and record or monitor them for training and compliance purposes.

22. **COMPLAINTS**

If you have a complaint about this agreement, you can contact us using our details in “**21. Our contact details**” above. If our Customer Service Department can't resolve the complaint or you are not happy with their response, you can apply to have it resolved by the Financial Ombudsman Service.

Resolution by the Financial Ombudsman Service is at no cost to you. You may also be able to ask them to look at your complaint in some other circumstances (please see www.financial-ombudsman.org.uk for details).

23. **YOUR RIGHT TO WITHDRAW WITHIN 14 DAYS**

You can withdraw from this agreement for any reason within 14 days. The 14 days start the day after you enter into this agreement. You do not have to tell us why. If you want to withdraw you must tell us using our details in “**21. Our contact details**” above. If you've used FlexPay to make a purchase, you must pay what you owe us in full without delay but no later than 30 calendar days after you tell us you want to withdraw. This includes any interest that applies up to the date you repay. You can ask us to tell you the interest charged per day. You can make your repayment by calling us using the details in “**21. Our contact details**” above.

24. **RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT**

You may not transfer any of your rights or obligations under this agreement. We may transfer our rights and obligations under this agreement (including our obligation to lend) to someone else. If we do so, it will not affect your rights under this agreement. This agreement will apply to the person we transfer our rights and obligations to as if they were us.

We may choose not to enforce any of our contractual rights against you. However, we can still enforce them later unless we tell you we have chosen to give up our right to do so.

Only a person who is a party to this agreement has any rights to enforce it.

Each term or part of a term of this agreement operates separately. If any court of competent authority decides any of them are unlawful or unenforceable, the other terms will remain in full force.

You must not hold back a payment you owe us because of a disagreement between you and a third party if doing so means you'll fail to pay a debt you have not disputed with us. This applies unless you have a legal right to withhold payment from us.

25. **LIMITATION OF OUR LIABILITY**

We are responsible if you suffer loss because we have broken this agreement. There are three exceptions to this rule:

- (a) We are not responsible for losses or costs that are caused by abnormal and unforeseeable circumstances. This applies where such circumstances are outside our reasonable control and we could not have avoided despite all efforts to the contrary. These include delays or failures caused by industrial action (such as strikes), problems with another system or network, mechanical breakdown or data-processing failures.
- (b) We are not responsible for losses or costs if a regulatory requirement means we must break this agreement.
- (c) We make this agreement with you as a personal customer. We are not responsible for any business losses or costs you suffer, including loss of business, profits or opportunities.

These exceptions do not apply to:

- (a) losses caused by us acting fraudulently or very carelessly; or
- (b) any other liability to the extent that the law stops us limiting or excluding that liability.

26. **SET-OFF**

If we owe you any money under this agreement, we may use that money to reduce any amount you owe us. We may also use that money to reduce any amount you owe to any other company in the Lloyds Banking Group. This is called the right of set-off. If we intend to use this right, we'll tell you.

If you owe us money under this agreement and don't pay us on time, we may take payment from current or savings accounts you have with us. We may also take payment from any current or savings accounts you have with any other company in the Lloyds Banking Group. This includes joint accounts, and you should make sure you make any joint account holders aware of this. If we choose to exercise this right, we'll first check that you have enough left in your accounts to cover essential living expenses. We'll also follow any relevant guidance in a code of practice that applies to us, or as required by our regulator or another similar body.

27. **GOVERNING LAW**

- (a) English law will decide any legal questions about this agreement, and about our dealings with you relating to you entering into this agreement. In addition, the courts of England and Wales will have exclusive jurisdiction regarding this agreement. This does not apply if you are resident in Scotland at the time you enter into this agreement.
- (b) If you are resident in Scotland at the time you enter into this agreement, Scottish law will decide any legal questions about it, and about our dealings with you relating to you entering into this agreement. In addition, the Scottish courts will have exclusive jurisdiction regarding this agreement.

General law (for example, about financial services, banking or consumer protection) applies to this agreement and the services we provide to you under it. For further information about these legal rights, contact your local Trading Standards Department or Citizens Advice.

This agreement applies even if any term of it contradicts or overlaps with any law that applies. However, if the law says we cannot agree with you to change or exclude the effect of that law, such term will not apply.

28. **HOW WE ARE REGULATED**

We are authorised and regulated by the Financial Conduct Authority under registration number 204487, including for the provision of payment services under the Payment Services Regulations 2017. The Financial Conduct Authority, 12 Endeavour Square, Stratford, London E20 1JN is the supervisory authority.

29. **HOW WE CAN USE YOUR PERSONAL DATA**

You explicitly consent to us accessing, processing and keeping any information you give us to allow us to provide payment services to you. This does not affect any rights and obligations you or we have under data protection law. You may withdraw this consent by ending this agreement. If you do this, we stop using your data for this purpose once your balance has been repaid. We may continue to process your data for other purposes.

It is important that you understand how we use the personal information you give us. So we strongly advise you to read our Privacy Statement, which you can find at www.blackhorseflexpay.co.uk/privacy or you can ask us for a copy.