

CHANGES TO TERMS AND CONDITIONS

From 31 October 2009 we will be making positive changes to our General Investment Terms and Conditions (GIC), Specific Terms and Conditions, and Offset Savings Account Terms and Conditions (OFS). These changes are to comply with the Payment Services Regulations 2009 effective 1 November 2009. Also on 1 November 2009, the existing Banking Code will be replaced by new regulations which form part of the new Banking Conduct Regime and will be supervised by the Financial Services Authority (FSA).

These changes lead to a distinction between 'Payment Accounts' and 'Non-payment Accounts'.

Payment Accounts: Coventry First, CallSave MoneyManager, BranchSave MoneyManager (passbook), BranchSave MoneyManager (statement), Investment and Offset Savings Account. All other investment accounts are Non-payment Accounts.

It is important that you read and understand the following amendments to your terms and conditions. If you have any queries please contact a member of staff.

CHANGES TO GENERAL INVESTMENT TERMS AND CONDITIONS (GIC) & OFFSET TERMS AND CONDITIONS (OFS)

New GIC 1.4.6 and OFS 1.4.6
your PIN

1.4.6 for both GIC and OFS has been renumbered 1.4.7

New GIC 1.7 and OFS 1.5

'payment card' means all cards issued by Coventry Building Society.

GIC 1.7 and OFS 1.5 have been renumbered 1.8 and 1.7 respectively.

GIC 3.9 and OFS 5.10 have been amended to include the following sentence:

Faster Payments that are received after 8pm will be credited to your account the following working day.

GIC 4.6 and OFS 6.13 have been amended by adding the following sentence at the bottom:

If there is an error which causes a restriction on your account we will investigate this on your behalf.

New GIC 4.15, OFS 6.8 is deleted and replaced by:

You agree that any payment sent by us on your behalf should take no more than three working days to reach your recipient bank. After 1 January 2012 any payment sent by us on your behalf should take no more than one working day to reach your recipient bank.

GIC 10.7 (ii) and OFS 7.7 (ii) is amended to include Payment cards.

GIC 10.7 (iii) and OFS 7.7 (iii) is deleted and replaced by:

if you suspect someone else has or may have accessed your account or used your Payment card without your permission you must contact us by calling our Customer Service Centre or by visiting a branch.

New GIC 13.2 and OFS 13.2

Any withdrawals or debits from your account will be treated as a valid transaction, unless the Society receives notice of the loss or the theft of your Security Details and/or you notify the Society when you suspect someone else knows or may know your Security Details or has accessed your account. Prior to such notification your liability is restricted to a maximum of £50 for transactions not authorised by you. You will be liable for all losses if you have acted fraudulently or if you have acted with gross negligence.

New GIC 13.3 and OFS 13.3

You are responsible for providing the correct account details for any payment from your account. If your payment does not reach the intended recipient we will investigate this on your behalf. If we make a mistake we will reimburse you, but we will not be liable for any unauthorised or any incorrectly executed transaction which occurs as a result of your negligence.

GIC 14.16 and OFS 16.9 are deleted and replaced with new GIC 14.21 and new OFS 16.14:

These Terms and Conditions are governed by English law and any disputes will be dealt with by the English Courts. All communications will be in English.

New GIC 14.16 and OFS 16.9

Specific information relating to your account will be made available to you in person, by post, via email or telephone. You may request a copy of the terms and conditions of your account at any time by visiting a branch or by contacting our Customer Service Centre or by visiting our website.

New GIC 14.17 and OFS 16.10

We will process your payment instruction or payment on the working day we receive it providing the payment instruction or payment is received before the cut-off time. If we receive your payment instruction or payment after the cut-off time we will treat it as received on the following working day.

New GIC 14.18 and OFS 16.11

Where there are any unauthorised or incorrect transactions on your account you must notify us immediately by contacting us by telephone or by sending us a secure message or calling in at a branch. Any such notification by you must be made to us without delay.

New GIC 14.19 and OFS 16.12

You may be entitled to a refund if you reasonably believe a transaction exceeded the amount you expected to pay. For further details please contact us by calling our Customer Service Centre or visiting your local branch.

New GIC 14.20 and OFS 16.13

Your contract with the Society will continue whilst your account remains open or until any outstanding balances have been paid.

CHANGES TO GENERAL INVESTMENT TERMS AND CONDITIONS

New 1.9

to establish whether your account is a Payment Account or a Non-payment Account please see your Specific Terms or contact us.

3.6 is amended from four days to three:

Direct debits credited to your account take three banking days to clear.

4.13 has been amended to include the fact that you can now find details of our cut-off times in the Useful Information section of the booklet.

6.2 has been amended to say that where interest (or maturing funds) is paid away, it will now take three banking days to reach its destination.

The previous 6.6.2, 6.6.3 and 6.6.4 have been deleted and replaced with new 6.6.2 and 6.6.3 below:

6.6.2

When we change your interest rate we will notify you of the rate change as follows: (i) if you have a Payment Account we will give you no less than two months' notice before the rate change takes effect. However where we decide to increase your rate we reserve the right to change your rate more quickly. We will always try to notify you at the earliest opportunity and where practicable, on or before the change takes effect.

(ii) if you have a Non-payment Account we will notify you of the rate change within 30 days of the change taking effect, or at the earliest opportunity and where practicable, on or before the change takes effect. However if your Non-payment Account is a branch based account we will notify you within three days of the change taking place.

6.6.3

For changes to your interest rate made under 6.6.2 we will notify you of the rate change as follows:

(i) by putting a notice in our branches and Principal Office with advertisements in two or more newspapers of our choice (a list of

newspapers currently chosen is available on request); or (ii) sending you a letter, email or other personal notice.

For accounts run mainly through our branches we will notify you by the method listed in 6.6.3 (i).

For all other accounts, or if the change is made under paragraph (vii) of condition 6.5, we will use method (ii). We will also make the information available on our website at www.thecoventry.co.uk and our Ratesline on 0800 716672.

6.6.5 has been renumbered as 6.6.4

If your account is a Non-payment Account, 12.1.2, 12.1.3 and 12.1.4 still apply. If your account is a Payment Account they no longer apply, however new 12.1.5 and 12.1.6 below apply.

12.1.5

Any changes to your terms and conditions will be made after giving you no less than two months' notice by letter or email or other personal notice. If you are unhappy with the change to your terms and conditions you may at any time up to two months from the date of notice under this condition, without having to give any period of notice, switch your account or close it without having to pay any extra charge or interest for doing this. Non-notification of your objection to the change to your account will be deemed as consent. If you notify us that you do not accept a change, we will take this as notification that you wish to close your account immediately.

12.1.6

If we accidentally fail to notify you under 12.1.5 above this will not make the change invalid.

The first paragraph of 14.5 is deleted and replaced by:

Where a deposit has been accepted for a fixed term which has not expired, we can

repay to you all or part of the money in your account at any time, without giving any reason, by giving you 30 days' notice if you have a Non-payment Account or two months' notice if you have a Payment Account.

The final paragraph of 14.5 is deleted and replaced by:

Unless the Specific Terms of your account state otherwise, you may close your account at any time without giving any reason (this may be subject to a penalty depending on the Specific Terms of your account).

The penultimate paragraph of 14.8.2 is deleted and replaced by:

If the change is made under paragraph (v) of this condition, we will tell you this and at any time up to two months from the date of this notice you may switch your account or close it without having to give any period of notice or pay any extra charges or interest.

If your account is a Payment Account and we introduce or change a charge relating to the day to day running of your account, we will give you no less than two months' notice by letter, email or other personal notice, before the change comes into effect. If you are unhappy with the change to your terms and conditions you may at any time up to two months from the date of notice under this condition, without having to give any period of notice, switch your account or close it without having to pay any extra charge or interest for doing this. Non-notification of your objection to the change to your account will be deemed as consent. If you notify us that you do not accept a change, we will take this as notification that you wish to close your account immediately.

If your account is a Non-payment Account and we introduce or increase a charge relating to the day to day running of your account, we will give you at least two months' notice by letter, email or other personal notice, before the change comes into effect.

CHANGES TO OFFSET TERMS AND CONDITIONS

New 1.6

This account is a Payment Account.

New 3.5

You may be eligible for a Further Advance at a later date, subject to satisfying our lending criteria. This Further Advance may or may not attract savings benefit depending on the product chosen.

15.1.2 is deleted and replaced with:

Any changes to your terms and conditions will be made after giving you no less than two months' notice by letter or email or other personal notice.

15.1.3 and 15.1.4 are deleted and replaced with new 15.1.3:

If we accidentally fail to notify you under 5.1.2 above this will not make the change invalid.

The penultimate paragraph of 16.8 is deleted and replaced by:

If we introduce or change a charge relating to the day-to-day running of your account, we will give you at least two months' notice by letter, email or other personal notice, before the charge comes into effect.