

MORTGAGES

Terms & Conditions - May 2018



METRO
BANK

This document sets out our Mortgage Conditions for customers of Metro Bank PLC. Together with your Mortgage Offer Letter and Mortgage Deed, this document forms part of the legal charge in favour of Metro Bank PLC in relation to your mortgaged Property. Please read this document carefully and keep it in a safe place together with your Mortgage Offer Letter for future reference. Please ask your Conveyancer to explain these Mortgage Conditions before you go ahead with your Mortgage.

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A. OUR MORTGAGE AGREEMENT WITH YOU

1 You – our customer and we – Metro Bank PLC

1.1 'You' means every person named in the Mortgage Deed as 'you' or the 'Borrower' and anyone who takes over the rights or duties of any person so named, such as someone who takes a transfer of that person's rights (with our permission where required by these Mortgage Conditions), or who is that person's successor or personal representative.

1.2 If more than one person is named in the Mortgage Deed as 'you' or the 'Borrower' then the obligations imposed by the Mortgage on each of those persons are joint and several. This means that each one of you has full responsibility to meet all of the obligations imposed on you under the Mortgage and we can enforce our rights against any or all of you, including the obligation to repay the Amount You Owe. This applies even if you hold the Property as tenants in common; each of you is still liable to pay the whole of the Amount You Owe.

1.3 If you are a trustee, the obligations you accept as trustee will bind you personally.

1.4 'We' means Metro Bank PLC, and includes any person or persons who takes over our business or the Mortgage (whether or not by an outright transfer and whether in relation to all or part of the Amount You Owe) and may at any time mean more than one of them. This includes any person we make a transfer to under Condition 24.

2 How these mortgage conditions work

2.1 This document is made up of three Parts:

- (a) this Part A explains what makes up the terms and conditions of your Mortgage and defines a number of words and phrases which have a special meaning in our agreement with you;
- (b) Part B sets out the General Conditions that apply to your Mortgage; and
- (c) Part C contains certain important information about us and how you can contact us.

2.2 Our agreement with you relating to your Mortgage is contained in:

- (a) these Mortgage Conditions;
- (b) your Mortgage Offer Letter. This is the letter in which we make you a formal offer to lend money to you secured on the Property. Where we have offered you a Further Advance, references to the Mortgage Offer Letter cover both the offer letter relating to the First Advance and any offer letter relating to a Further Advance; and
- (c) the Mortgage Deed. This is the legal document you sign to give us a charge or standard security over the Property which secures the Amount You Owe.

2.3 If there is any contradiction between any of the terms set out in these Mortgage Conditions, the Mortgage Offer Letter and the Mortgage Deed, then:

- (a) the terms in the Mortgage Offer Letter will prevail over any contradictory terms in the Mortgage Deed and these Mortgage Conditions; and
- (b) the terms in the Mortgage Deed will prevail over any contradictory terms in these Mortgage Conditions.

2.4 In addition to our agreement with you, the general law (for example, about our rights in relation to the Property) applies to the Mortgage. Under the general law, both you and we may have rights and liabilities in addition to those which you or we have under our agreement with you. Except where these rights and liabilities are expressly varied or excluded by the Mortgage, they are not affected by our agreement with you. For further information about your rights and liabilities under the general law, please contact your Conveyancer.

B. GENERAL CONDITIONS

DEFINED TERMS

3 Defined terms

3.1 Some words in our agreement with you have a special meaning. Other than the words 'you' and 'we' which have the meanings given in Conditions 1.1 to 1.4, we indicate which words have a special meaning by showing them in the agreement with the first letter in capitals. We set out below the special meanings of all these defined terms.

Amount you owe means all the money you owe us from time to time under these Mortgage Conditions (including any updated or amended mortgage conditions which replace these Mortgage Conditions), including any money we lend or re-lend you under a Mortgage Offer Letter, together with any interest or Charges. We will charge you interest on this amount. Conditions 9 and 19.11 explain this further;

Bank of England base rate means the Bank of England's Official Bank Rate (or, if that rate ceases to exist, the nearest equivalent interest rate reasonably selected by us set by the Bank of England or by any central bank or monetary authority which replaces the Bank of England or takes over its functions in relation to the setting of interest rates which are widely used as the basis on which banks in the United Kingdom set their lending rates);

Banking weekday means any day from Monday to Friday, other than public holidays in England. These are the days that other banks are typically open;

Borrower means the person, or persons, who are entering into the Mortgage;

Charge means any Fee or Expense or Early Repayment Charge;

Cleared funds means money that we have received from you. Where you pay us in the form of a cheque from another bank, the time it takes us to get cleared funds reflects the time it takes us to send the cheque to the other bank and for that bank to deal with it, including deciding whether it can pay the cheque and telling us if they decide not to pay it;

Combined payment means a Monthly Payment which is attributable (i) in part to repayment of the Outstanding Capital you have borrowed from us plus other previously agreed amounts forming part of the Outstanding Capital under the Mortgage and (ii) in part to payment of interest which we charge you on the Outstanding Capital (whether or not on particular occasions the payment is attributable wholly to interest or wholly to capital);

Conveyancer means the solicitor or licensed conveyancer acting for you in relation to the Mortgage;

Deed of consent means a document that is signed to protect the bank should it need to repossess the property. If the Property is in England and Wales, it is signed by all people over the age of 17, such as your children, to say that they will not be able to claim any rights over the Property. If the Property is in Scotland, it is signed by any non-entitled spouse in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 as amended or any civil partner in terms of the Civil Partnership Act 2004 to say that they will not claim any rights over the Property, or the Borrower to say that there is no party entitled to claim any such rights over the Property;

Direct debit means the method of payment we use to collect your Monthly Payment;

Early repayment charge means any additional charge which your Mortgage Offer Letter says you have to pay us if, within the period specified in your Mortgage Offer Letter, (i) you pay off the Amount You Owe or (ii) you pay off a Loan Part or (iii) you make a lump sum

repayment which exceeds any maximum amount which your Mortgage Offer Letter says you may repay without payment of any additional charge;

Expense means (i) a reasonable proportion of the internal staff costs and other administrative expenses we reasonably incur plus (ii) any costs, taxes, charges, expenses or legal fees we or a Receiver reasonably pay to other persons (not being members of our staff), where in each case these amounts are paid in connection with:

- (a) the creation, protection, preservation, or rightful enforcement of our security; or
- (b) exercising any of our rights or powers to protect, preserve or realise the value of the Property; or
- (c) the recovery of any money you owe us under the Mortgage; or
- (d) insuring the Property, where permitted by Condition 13.5; or
- (e) our reasonably bringing or defending legal proceedings relating to the Mortgage (whether or not you are a party to the proceedings); or
- (f) the administration of your Mortgage where you fail to pay some or all of the interest due as part of your Monthly Payment; or
- (g) finding you (or trying to find you) if you do not supply us with up-to-date contact details, provided we have not charged you for this under another agreement;

In some cases our expenses may be standardised, as we explain in Condition 19;

Fee means a standardised charge as described in our Tariff of Charges which we make in return for our providing you with a service which you are not obliged to receive but which you have requested in connection with your Mortgage, including amongst other things our fee for:

- (a) processing your application for the Mortgage;
- (b) carrying out any valuation or inspection in connection with the Mortgage;
- (c) providing you with a particular type of Loan;
- (d) providing you with a Further Advance; and
- (e) carrying out a change which you ask us to make in the way a Loan is to be repaid, or in the type of Interest Rate we charge; and
- (f) our Mortgage Discharge Fee;

First advance means the first advance we make to you on the security of the Mortgage;

Funds release fee means a fee we charge for sending the Loan to your Solicitor/Conveyancer;

Further advance means any amount we lend you under the Mortgage after the First Advance;

Interest-only loan means a Loan or Loan Part where your Monthly Payments only cover interest and you repay the Outstanding Capital at the end of the Mortgage Term;

Interest period means, in relation to any Loan we make to you:

- (a) the period from the day the Loan is made until 24.00 hours on the day before the first Payment Day; and
- (b) each subsequent period starting at 00.00 hours on a Payment Day and ending at 24.00 hours on the day before the next Payment Day;

Interest rate means the rate or rates of interest we charge you under the Mortgage set out in your Mortgage Offer and varied in accordance with Condition 22.3;

Leasehold reform acts means the Leasehold Reform Act 1967, the Landlord and Tenant Act 1987, the Leasehold Reform, Housing and Urban Development Act 1993 (as amended by the Commonhold and Leasehold Reform Act 2002) and the Commonhold and Leasehold Reform Act 2002 or any of them and any other legislation which gives tenants the right to acquire a new or more extensive interest in the property leased or in the land or buildings of which it forms part;

Loan means the amount of money we lend, or re-lend, to you under a Mortgage Offer Letter;

Loan part means a part of a Loan which your Mortgage Offer Letter says you must repay using a particular repayment method (repayment or interest only) or on which you must pay interest at a particular rate or rates (for example, a fixed rate or a rate which tracks our Standard Variable Rate);

Metro Bank working day means a day on which we are open for business. We are generally open for business 24 hours each day of the year (except Christmas Day, New Year's Day, and Easter Sunday);

Monthly payment means the amount or amounts you must pay us on a monthly basis as set out in your Mortgage Offer Letter which we may vary from time to time as set out in Condition 7.2

Mortgage means the agreement between you and us set out in these Mortgage Conditions together with your Mortgage Offer Letter and Mortgage Deed;

Mortgage account means the account we keep for recording the Amount You Owe. We make a debit entry on this account where the Amount You Owe goes up (e.g. where we lend you more money secured under the Mortgage). We make a credit entry on this account where the Amount You Owe goes down (e.g. where we receive a Monthly Payment from you);

Mortgage conditions means these conditions;

Mortgage deed means the legal document you sign to give us a charge or standard security over the Property to secure the Amount You Owe;

Mortgage discharge fee means the Fee we charge you for discharging our security which is set out in our Tariff of Charges;

Mortgage offer letter means the letter in which we make you a formal offer to make a Loan to you on the security of the Property and any amendment to the letter which we agree with you before we make the Loan. Where we have offered you a Further Advance, references to the Mortgage Offer Letter cover both the offer letter relating to the First Advance and any offer letter relating to a Further Advance;

Mortgage sub-account means any part of the Mortgage Account which we keep for recording the amount you owe to us under different types of Loan under the Mortgage, including different Loan Parts. If your Loan is comprised of more than one Loan Part (for instance if it is part-interest only and part-capital repayment or part-variable rate and part-fixed rate), we may keep a separate Mortgage Sub-Account for each Loan Part;

Mortgage term means the period for the repayment of the Loan set out in your Mortgage Offer Letter;

New mortgage is defined in Condition 18;

New property is defined in Condition 18;

Outstanding capital means the outstanding capital balance of the Loan, exclusive of any unpaid interest and Charges. This is the part of the Amount You Owe on which we calculate your Monthly Payment;

Payment day means the day of the month on which your Monthly Payment falls due and is payable or the next working day if the Payment Day falls on a weekend or a bank holiday;

Property means all of the property described in the Mortgage Deed, including all buildings, fixtures and additions. References to the Property include references to any part or parts of the Property;

Receiver means any person or persons we appoint to be a receiver of all or any part of a Property in England and Wales and any person who replaces that receiver;

Regulatory requirement means any obligation we have to comply with any law, regulation or rule or a decision of any court, ombudsman or other authority;

Repayment loan means a Loan or Loan Part which you repay with interest over the Mortgage Term so that your Monthly Payment normally comprises both a capital repayment and an interest payment;

Solicitor means the solicitor or licensed conveyancer acting for you in relation to the Mortgage;

Standard variable rate means any benchmark rate of interest for certain of our variable rate loans which we publish and includes our SVR, Standard Variable Rate or the Metro Bank Standard Variable Rate (as distinct, for example, from a fixed rate, a rate which tracks the Bank of England Base Rate or any other reference rate which we control);

Tariff of charges means our tariff of charges as published by us from time to time and varied in accordance with the provisions of Condition 19;

Tenancy agreement means (i) an Assured Shorthold Tenancy in England and Wales or (ii) a Short Assured Tenancy or a Private Residential Tenancy in Scotland;

Transfer balance is defined in Condition 18.

CONTACT AND GIVING INSTRUCTIONS TO US

4 Contacting each other

- 4.1** Our contact details are set out under 'How to contact us' in Part C.
- 4.2** We may contact you using any contact details you have provided to us. We may want to contact you to tell you something about your mortgage or our services. You should make sure that your preferred arrangements for receiving communication from ourselves are safe and it will be treated as received.
- 4.3** You must tell us if your name or any of your contact details change (please see 'How to contact us' in Part C which explains how to do this). If you do not tell us, we will continue to use the details you last gave us. We will not be responsible if we fail to contact you because we are using the details you last gave us. We will also not be responsible if we send your statements or other private information to the wrong address (including an electronic address) using the details you last gave us.
- 4.4** We may charge you our reasonable costs of finding you (or trying to find you) if you do not supply us with up-to-date contact details. These costs will be Expenses. If we charge you for those costs under any agreement we have with you relating to your bank account, we will not charge you again under these Mortgage Conditions.

4.5 We may monitor and record any phone calls with you to check we have carried out your instructions correctly, to resolve complaints, to help improve our service, and to help prevent fraud or other crimes. In the interests of security, we may use CCTV recording equipment in and around our stores. Any recordings we make will belong to us.

4.6 You can usually use our online banking and telephone banking services at any time but repairs, updates and routine maintenance on our systems and those of our suppliers may mean that particular services are slow or unavailable from time to time. We will try to warn you in advance if this is going to happen, but it may not always be possible to do so. We have a reduced number of services available through our telephone banking service outside our normal store hours. Please ask us if you would like more information on this.

5 Statements and notices

- 5.1** We will:
- (a) once in each calendar year, send you a statement which contains information on the mortgage payments you have made over the previous twelve months and the Amount You Owe;
 - (b) notify you of any change to your Monthly Payment. We will send this notice not less than 14 days before the first Payment Day on which the new Monthly Payment is due to be paid. Condition 7.2 sets out when your Monthly Payment may be changed;

- (c) notify you of any change to the Interest Rate at the same time as we notify you of the new Monthly Payment resulting from the change.

5.2 We will send statements and interest rate change notices to you to the correspondence address held for each of you. Alternatively we may send these by email to the email address we hold for you (or, where there is more than one of you, to the primary email address we hold for you).

5.3 You should check your statements when you get or access them and let us know as soon as you can if you think they include anything that appears wrong to you, or if you think that there is anything missing which should have been included.

5.4 We will tell you if:

- (a) we are changing the way in which you make Monthly Payments, either in response to a request from you or because we have decided to do this in the circumstances described in Condition 7.1;
- (b) we agree to a request from you to change your Payment Day, in which case we will tell you what your new Payment Day is and whether the Interest Period which we use to calculate your first Monthly Payment after the change will be longer or shorter than one month; or
- (c) you have asked us to write to you to tell you how much you need to pay to pay off the Amount You Owe in full.

5.5 When we tell you about any of the things described in Condition 5.4, we will use the same method that we use to send your annual statements, notices of changes in your Monthly Payment and in the Interest Rate under Conditions 5.1 and 5.2.

5.6 If we have to serve any other notice in relation to the Mortgage then we will send that notice in writing to the Property or to the latest address we have for you or your successor on our records, addressed to each of you. Alternatively we may send these by email to the email address we hold for you (or, where there is more than one of you, to the primary email address we hold for you). A notice served on any person representing you sent in this way will be effective even if it does not name him or her. If the Property is jointly owned, it will be sufficient if any notice to be served under this Condition 5.6 is served on the first one of you named in the Mortgage Deed.

5.7 Any notice sent by first or second class post will be treated as given on the day when it would arrive in the normal course of post. If there is publicised industrial action affecting normal postal delivery times, this shall be taken into account when deciding whether and when notice has been given. Electronic notices will be treated as given on the day they are sent.

LOAN CONDITIONS

6 Repayment loans and interest-only loans

- 6.1** If you have a Repayment Loan you must:
- (a) pay the interest we charge in relation to the Repayment Loan by making your Combined Payments over the Mortgage Term; and
 - (b) repay the capital and other amounts due under your Repayment Loan, by making your Combined Payments over the Mortgage Term.
- 6.2** If you have an Interest-Only Loan you must:
- (a) pay the interest we charge in relation to the Interest-Only Loan by making your Monthly Payments;
 - (b) provide evidence to us when requested, that your repayment vehicle remains a suitable vehicle to repay your Mortgage at the end of the Mortgage Term. We will not request this information from you more regularly than every two years; and
 - (c) repay the capital and other amounts due under your Interest-Only Loan at the end of the Mortgage Term.
- 6.3** If the Amount You Owe includes both one or more Repayment Loans and one or more Interest-Only Loans, your payment obligation will be dealt with partly under Condition 6.1 and partly under Condition 6.2.
- 6.4** You can ask us to lengthen or shorten your Mortgage Term. If you wish to do this, please ask us in writing and we will confirm in writing if we agree to make the change and (if we do agree) we will also tell you the amount of your revised Monthly Payment, the first Payment Day from which the revised amount is payable and the new date when your Mortgage Term ends.
- 6.5** You may, with our consent, change any Loan or Loan Part from a Repayment Loan to an Interest-Only Loan or from an Interest-Only Loan to Repayment Loan. If you wish to do this, please ask us in writing and we will confirm in writing if we agree to make the change and (if we do agree) we will also tell you the amount of your revised Monthly Payment and the first Payment Day from which the revised amount is payable.
- 6.6** Where you ask to make a change under Condition 6.4 or 6.5 above, we will not refuse to make the change provided you satisfy the conditions we reasonably require at the relevant time.
- 6.7** The Loan may be made to you for more than one purpose. We may charge you a different Interest Rate in respect of Loan Parts made for different purposes or at different times. This will be set out in the Mortgage Offer Letter.

- 6.8** If you have an Interest-Only Loan you are responsible for ensuring you have a means of repayment which is suitable to repay that Loan at the end of the Mortgage Term. You should regularly review your chosen means of repayment to make sure it continues to be suitable and that it is on track to repay the Loan at the end of the Mortgage Term. If the repayment vehicle produces insufficient funds to repay the Amount You Owe at the end of the Mortgage Term, you or we may have to sell the Property to try to repay the Loan.
- 6.9** We record the Amount You Owe us in relation to your Mortgage in your Mortgage Account.
- 6.10** We may change any Loan or Loan Part from an Interest-Only Loan to a Repayment Loan if:
- (a) you fail to provide evidence of your repayment vehicle to us when requested; or
 - (b) the evidence provided by you indicates that your repayment vehicle is not a suitable vehicle to repay your Mortgage at the end of the Mortgage Term.

We will seek to contact you to discuss the options available for you in the case of (a) or (b) above and will act reasonably in exercising our powers under this Condition 6.10 and in accordance with our Regulatory Requirements.

Where (a) applies we will give you reasonable time to provide the evidence requested. Where (b) applies, where possible, we will give you a reasonable time to provide us with further evidence (which is reasonably satisfactory to us) which indicates that your repayment vehicle is anticipated to be sufficient to repay your Mortgage at the end of your Mortgage Term.

- 6.11** The effect of any such change made in accordance with 6.10 will be to require you to increase your Monthly Payment to provide for the repayment of Outstanding Capital in addition to the payment of interest. Where we do this, we will give you at least 2 months' prior written notice of the change and will tell you the amount of your revised Monthly Payment and the first Payment Day from which the revised amount is payable.
- 6.12** Where your Loan is made up of more than one Loan Part:
- (a) we will keep a separate Mortgage Sub-Account for each different Loan Part. This enables us to keep track of the different amounts you owe under the Mortgage;
 - (b) where we add an amount to the Amount You Owe (such as a Charge which we add under Condition 19.11 or a Fee which your Mortgage Offer Letter says is to be added to the Outstanding Capital), then if you tell us which Loan Part you want us to add that amount to, we will add that amount to that Loan Part. If you do not tell us but the amount is connected to a particular Loan Part, we will add it to that Loan Part. Otherwise, we will add it to the Loan Part with the lowest applicable Interest Rate;

- (c) where we deduct an amount from the Amount You Owe otherwise than to reflect your normal Monthly Payments (for instance where you pay off some Outstanding Capital as an early repayment) then you may tell us which Loan Part you want us to deduct this from. If you do not tell us, we may choose to deduct that amount only from one Loan Part (and if so we may choose which one) or to split that amount across different Loan Parts (and if so we may choose how). If the choice is ours, we will try to make the deductions in a way which minimizes the Charges you must pay; and we will reflect these additions and deductions by recording them in your Mortgage Sub-Accounts.

7 Your monthly payments

7.1 You must pay your Monthly Payment to us on the Payment Day in every month until the Amount You Owe is repaid in full. You must pay the Monthly Payment by the method specified in your Mortgage Offer Letter unless we agree with you in writing to use another payment method. We may change the method for you to make Monthly Payments if we give you at least 60 days' notice in writing that we are changing to a new method of payment and either:

- (a) the method specified in your Mortgage Offer Letter can no longer be used in the UK banking market for this type of payment; or
- (b) the method specified in your Mortgage Offer Letter can still be used but we reasonably consider this change will not disadvantage you; or

- (c) the new method is payment by Direct Debit.

7.2 We will tell you the amount of your initial Monthly Payment relating to the First Advance or any Further Advance in your Mortgage Offer Letter. The amount of your Monthly Payments may be changed as follows:

- (a) we will change the Monthly Payment whenever necessary to reflect a change in the Interest Rate;
- (b) we may also change the Monthly Payment to take account of any change to your Outstanding Capital.

7.3 Where we change the Monthly Payment under Condition 7.2 we will give you notice of your changed Monthly Payment under Condition 5.1(b). The change in the Monthly Payment will take effect on the Payment Day specified in the notice.

7.4 Where we change the Monthly Payment under Condition 7.2(a) or Condition 7.2(b) to reflect a change in the Interest Rate or Outstanding Capital, the first of the changed Monthly Payments which we notify to you may include a one off increase or reduction to reflect the amount by which the change has increased or reduced the interest which accrues between the date of the change and the Payment Day when you have to pay the first of the changed Monthly Payments.

7.5 You must make each Monthly Payment without any set-off or counterclaim. This means that you must make each Monthly Payment without any deduction for amounts we owe you and if you have a complaint or claim, whether under this Mortgage or under any other agreement you may have with us, you must deal with that separately.

7.6 Unless we agree otherwise with you, we will use any Monthly Payment or other payment made by you or applied by us on your behalf firstly for the purpose of paying off any Monthly Payments which are in arrears, then towards any unpaid interest and Charges and then your Outstanding Capital.

7.7 We can issue you with a formal written demand for repayment. If we do this, you must pay us the Amount You Owe in full within two months. We will only do this if:

- (a) we reasonably believe you obtained the Loan as a result of fraud or you have made payments relating to the Mortgage or the Property which you obtained from criminal activity; or
- (b) we need to give the notice to comply with the order or instruction of a court, ombudsman or other authority; or
- (c) we need to give the notice to avoid breaching any Regulatory Requirement; or
- (d) you are in serious or persistent breach of these Mortgage Conditions (other than for the payment of money), or another legal requirement arising directly out of the Loan.

If we use this power, we will explain to you why we have done so, except where our telling you would cause us to breach any Regulatory Requirement.

8 Changing your payment day

8.1 Where we have agreed a Payment Day with you before the time we make the First Advance to you, that will be your Payment Day. If we have not agreed a Payment Day with you before that time, then the Payment Day will be the day of the month on which we make the First Advance to you, except where that day is the 29th, 30th or 31st of the month, in which case the Payment Day will be the first day of the month.

8.2 We will change the Payment Day if you ask us to change it to a day which is not the 29th, 30th or 31st of the month. Once we receive such a request from you, we will write to tell you when the changed Payment Day first comes into effect. We will also tell you whether the Interest Period which we use to calculate your first Monthly Payment after the change will be longer or shorter than one month.

8.3 If your first Payment Day is not the day of the month on which we make the First Advance to you, then your first Monthly Payment will cover an Interest Period which is longer than one month. Similarly if we agree to a change in your Payment Day, then the Interest Period before your next Payment Day will be longer (or if we agree with you, shorter) than one month. In either case, we will tell you how much your Monthly Payment is for that Interest Period.

8.4 If Condition 8.3 applies to a particular Interest Period then:

- (a) If you pay your Monthly Payments by Direct Debit, we will change the amount payable under the Direct Debit for the relevant Interest Period so you pay the Monthly Payment in full for that period;
- (b) if you pay your Monthly Payments by standing order from an account with Metro Bank, we will change the amount payable under the standing order for the relevant Interest Period so you pay the Monthly Payment in full for that period;
- (c) if you pay your Monthly Payments by standing order from an account with another bank, we will not be able to change your standing order. This means your usual standing order will not match the Monthly Payment amount you owe us for that Interest Period. In this case we will tell you what the difference is between the amount of your standing order and the amount of the Monthly Payment you owe us for that Interest Period. You will need to pay us any shortfall. If there is a surplus, we will use that to reduce your Outstanding Capital.

9 How we calculate your interest

9.1 The interest you pay us will be calculated using the Interest Rate. The type of Interest Rate you will pay will be the type of rate or rates described in the Mortgage Offer Letter or any different type of rate which we subsequently agree with you in writing. If the Interest Rate is a variable rate, Condition 22 explains how it may increase or decrease and explains the circumstances

in which we are permitted to make changes to the Interest Rate.

- 9.2** Interest will accrue on the Amount You Owe at the applicable Interest Rate from the day the First Advance is made. Interest on the Amount You Owe accrues daily. We will calculate interest on a daily basis, based on the Amount You Owe at the end of the previous day.
- 9.3** The interest charged on your Outstanding Capital will form part of your Monthly Payment or, in the case of an Interest-Only Loan, all of your Monthly Payment. Interest charged on any remainder of the Amount You Owe over and above the Outstanding Capital (such as a Charge which we add under Condition 19.11, or any prior Monthly Payments which remain unpaid) will not form part of your Monthly Payment and will accrue as compound interest. This means that interest will be charged on amounts of outstanding interest. If the Amount You Owe is higher than your Outstanding Capital you will need to make separate arrangements with us to repay the amount over your Outstanding Capital.

Your Monthly Payment will be calculated on the assumption that each month is an equal twelfth part of the year. This means that, for instance, the total amount which you pay in February in any year will not be less than the amount which you pay in other months simply because February is a shorter month.

- 9.4** Where the Interest Rate increases or decreases, we will change the amount of your Monthly Payment under Condition 7.2.

9.5 If your Loan or any Loan Part is a Repayment Loan, the changed Monthly Payment which we work out under Condition 7.2 relating to the Repayment Loan will be a revised Combined Payment the amount of which will be calculated to ensure that you repay the Outstanding Capital of the Loan or Loan Part with interest by the end of the Mortgage Term. We will tell you the amount of the changed Monthly Payment under Condition 5.1(b).

9.6 If you fail to pay some or all of your Monthly Payment we will make reasonable efforts with you to agree a payment schedule to repay the payment shortfall. If some, or all, of the shortfall is not repaid in accordance with the terms agreed we may where Regulatory Requirements permit this, add the unpaid amount to the Outstanding Capital. Where an unpaid amount is added to the Outstanding Capital this will result in an increased balance of Outstanding Capital (the previous amount plus accrued unpaid interest) on which the next Monthly Payment will be calculated. Interest which is paid on a sum to which an earlier interest amount has already been added is referred to as compound interest. We will tell you in writing where we do this. Where we do this, your subsequent Monthly Payments will reflect the increase.

9.7 If we consent to you changing your Loan or any Loan Part from a Repayment Loan to an Interest-Only Loan or from an Interest-Only Loan to a Repayment Loan under Condition 6.5, the Interest Rate you will pay in respect of that Loan or Loan Part will be the same rate as originally stated in your Mortgage Offer Letter, unless otherwise agreed with us at the time of the change.

9.8 For the purposes of calculating interest under these Mortgage Conditions we shall not be obliged to take percentages beyond three places of decimals.

10 Your right to repay early

10.1 You can pay the whole of the Amount You Owe before the end of the Mortgage Term without giving us advance notice. In order to pay the whole of the Amount You Owe, you must pay:

- (a) any Monthly Payment which remains outstanding;
- (b) all sums owing to us in respect of the Outstanding Capital;
- (c) any interest due from the start of the current Interest Period until the date of your payment;
- (d) an Early Repayment Charge, if the Mortgage Offer Letter says an Early Repayment Charge is payable at that time;
- (e) any unpaid Charges, including the Mortgage Discharge Fee referred to in your Mortgage Offer Letter, inclusive of any unpaid interest accrued on the unpaid Charges; and
- (f) any other amounts included within the Amount You Owe which are not specified above.

If you ask us, we will tell you in writing how much you need to pay us to pay off the Amount You Owe in full.

10.2 You may repay part of the Amount You Owe before the end of the Mortgage Term by way of a lump sum payment. Your Mortgage Offer Letter will say whether you are required to pay a minimum amount and whether an Early Repayment Charge is payable. If you make a lump sum payment as permitted under the terms of your Mortgage Offer Letter, we will use this to reduce your Outstanding Capital from the day after which we receive Cleared Funds from you in the order described in Condition 7.6. We will change your next Monthly Payment amount to take into account the lump sum payment unless you make a payment so close to the Payment Day that it is not operationally practicable for us to change the Monthly Payment for the Payment Date, in which case the Monthly Payment will be changed from the following Payment Date.

11 Proceeds arising on sale or remortgage

If we receive the proceeds of a remortgage of the Property with another lender or a sale of the Property and those proceeds are not enough to repay the Amount You Owe in full, you must pay us the balance of the Amount You Owe on demand. Until you have repaid the Amount You Owe in full, interest will continue to accrue and be payable in accordance with Condition 9, and you will remain liable under Condition 7 for paying us the Monthly Payment (which we will recalculate to take account of the money we have received following the remortgage or sale).

PROPERTY ISSUES

12 Your obligations in respect of the property

12.1 You must do the following things:

- (a) You must ensure that the Property and all utilities on the Property are kept in good and substantial repair and condition;
- (b) You must not make or allow anybody else to make any structural alterations to the Property or change its use or apply to any planning authority to make such changes, unless you have our prior written approval;
- (c) You must observe, perform and comply with all laws, notices, orders, regulations, directions and requirements of any court tribunal, local authority or other authority whose decisions are legally binding on you relating to or affecting the Property;
- (d) Where the Property is leasehold, you must observe, perform and comply with all the tenant's obligations and take any steps which are reasonable to ensure that the landlord complies with its, his or her obligations under the lease under which the Property is held;
- (e) You must promptly give us such information about the Property as we may reasonably require;
- (f) You must allow us (and anyone authorised by us including a Receiver appointed by us) to access and inspect the condition of the Property at any reasonable time after we have given you

reasonable advance notice. In the event that we discover that you have failed to maintain the Property as required by these Mortgage Conditions, we may send you a notice requiring you to repair the Property. If we do this, you must repair the Property in accordance with the notice unless it is not reasonably possible for you to do this. We will serve any such notice in writing. If you fail to carry out the repairs as required by the notice within a reasonable time, you must allow us (and anyone authorised by us) to access the Property and carry out such repairs at reasonable times. The reasonable costs we incur in carrying out such repairs will count as Expenses;

- (g) You must keep the Property available for disposal with vacant possession. This means that you must not let out or license any part of the Property unless we have given our prior consent in writing. We are not obliged to agree to your letting or licensing some or all of the Property although we will not withhold our consent unreasonably. If we do agree, you must ensure that the Property is let or licensed in accordance with the terms which we specify.

If we offer you a mortgage under our buy to let scheme:

- (i) You must not occupy the Property yourself and you must not agree to allow a member of your family (including, for example, your spouse, civil partner, parents, grandparents, siblings, children and grandchildren) to occupy the Property.

- (ii) If the Property is in England and Wales, it may only be occupied under an Assured Shorthold Tenancy (an "AST") within the meaning of Section 20 of the Housing Act 1988 as amended by the Housing Act 1996. If the Property is in Scotland, it may only be occupied under a Short Assured Tenancy ("SAT") within the meaning of Section 32 of the Housing (Scotland) Act 1988 as amended or under a Private Residential Tenancy ("PRT") under the Private Housing (Tenancies) (Scotland) Act 2016.
- (iii) The Property may only be let to a maximum of 5 individuals. Student lets and lets to family members will be considered. We will not allow letting to limited companies, housing associations, individuals receiving benefits nor individuals with diplomatic immunity.
- (iv) The tenancy agreement must make provision for monthly or quarterly payments; annual premiums paid in advance are not acceptable.
- (v) Vacant possession of the Property must be obtained on completion of the mortgage or alternatively if the Property is occupied on completion of the mortgage the occupiers must occupy under a Tenancy Agreement whereby vacant possession can be obtained as of right at the end of the term created by the tenancy, or on giving the requisite notice under the Private Housing (Tenancies) (Scotland) Act 2016 for Property in Scotland subject to a PRT.

- (vi) If the Property is leasehold you must obtain your landlord's consent to sublet or part with possession of the premises if the lease requires you to do so.
- (vii) You must inform your insurers about the tenancy if your own insurance policy requires you to do so.
- (viii) You must adhere to any regulations and obtain any necessary licences in the letting of properties.
- (ix) You must not change the terms of the tenancy without obtaining our written agreement.
- (h) You must give notice to us of any monetary compensation relating to the Property which is paid to you as soon as you receive it. For instance, you might receive compensation from a local governmental or other authority for damage to the Property. Unless it is not reasonably practicable for the damage to be made good, you must use such compensation for the prompt repair or rebuilding of the Property to a proper standard (unless we agree otherwise in writing). We will let you keep any surplus remaining after the Property has been repaired and/or rebuilt to a proper standard and our reasonable Expenses have been paid. We will tell you when we are satisfied that this has been done;
- (i) You must promptly pay any rents, rates, taxes, charges or other amounts which are at any time charged or imposed on the Property by any landlord, management company, court tribunal, ombudsman or other authority. If you fail to do so and we, or the Receiver, pay them, the full amount will be added to the Amount You Owe and we may treat this amount either as immediately payable to us or the Receiver as appropriate or as an Expense;
- (j) You must comply with any legally binding promise which you have given in relation to the Property;
- (k) You must comply with the rules of any management company or residents' association affecting the Property;
- (l) You must fulfil any obligation imposed on you (other than under the Mortgage) in respect of the Property or its services or amenities where your failure to comply may adversely affect the value of our security interest in the Property;
- (m) You must tell us immediately about any defect, damage, injury or depreciation relating to the Property which may give any person other than you a right or claim for damages, compensation or indemnity;
- (n) If the Property is leasehold then, if you extend the term of the lease under which the Property is held or acquire the whole of or any part of the freehold or a commonhold unit or heritable title, you must immediately:

- (i) deliver to us that extended lease, or the title deeds to the freehold or the commonhold unit or heritable title or the documents evidencing your interest in the freehold or commonhold unit or heritable title; and
 - (ii) if we ask you to do so, execute at your expense a first legal charge or first standard security over such extended lease or your interest in the freehold or commonhold unit or heritable title in our favour to secure the Amount You Owe; and
 - (iii) observe and perform all the obligations imposed on you as a condition of the grant of the extended lease or your interest in the freehold or commonhold unit or heritable title;
- (o) If the Property is in England and Wales and is leasehold you must:
- (i) not serve any notices under the Leasehold Reform Acts in respect of the Property without first informing us; and
 - (ii) keep us informed of any steps you take in connection with the Leasehold Reform Acts; and
 - (iii) pay any compensation you receive under the Leasehold Reform Acts to us immediately on receipt, following which we will use the compensation to reduce the Amount You Owe in accordance with Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges; and

- (p) You must notify us within five Banking Weekdays of any notice you receive from any person (including the landlord if the Property is leasehold) in relation to the Property. You must take all actions which we reasonably require in connection with such notices (including any legal proceedings) to protect our security interest in the Property and the value of the Property. If you fail to take such action or fail to take action within a reasonable period we will be entitled to take any action (including legal proceedings) which it is reasonable for us to take to protect our security interest in the Property. If we take that action, the reasonable costs we incur in doing so will count as Expenses.

12.2 You may create a mortgage, charge or standard security over the Property to secure a loan which you will use to pay the Amount You Owe in full. You must not without our written consent:

- (a) otherwise create or attempt to create or allow to be created any mortgage, charge or standard security or other right of any kind over the Property, or allow such a mortgage, charge or standard security or other right to exist;
- (b) otherwise deal with, sell or give away the Property; or
- (c) accept the surrender of any lease or tenancy of the Property.

We will consent to your creating a mortgage, charge or standard security over the Property over which our Mortgage has priority unless we reasonably conclude that you are likely to fail to make any of your Monthly Payments.

13 Buildings and other insurance

- 13.1** Unless the Property is leasehold and the terms of the lease require your landlord to insure the Property, you must insure the Property and keep it insured with a reputable United Kingdom insurance company against loss or damage by any of the risks which comprehensive buildings insurance in the UK normally covers (including, without limitation, fire, landslip, subsidence and heave). The initial sum insured must not be less than the full re-instatement value of the Property (as recommended in a professional mortgage valuation) together with architects', surveyors' and other professional fees, demolition costs, the cost of removing debris and the extra cost of meeting any building and government regulations under local authority bylaw. You must make sure that the sum insured is on an index-linked basis. This means that the sum insured must track the full re-instatement value of the Property taking into account inflation. It will be your responsibility to pay any excess in the event that you make any claim under the insurance.
- 13.2** If the Property is in England and Wales, where you are entering into the Mortgage to finance the purchase of the Property, the insurance must start on the day you exchange contracts for the purchase with the seller of the Property. If the Property is in Scotland, where you are entering into the Mortgage to finance the purchase of

the Property, the insurance must start on the day you purchase the Property from the seller. We will ask your Conveyancer to confirm to us on your behalf that the insurance policy is in place before we make the First Advance to you and that the conditions we specify for insurance are met.

- 13.3** Where Condition 13.2 does not apply (for example, where you are re-mortgaging rather than purchasing the Property), the insurance cover required under Condition 13.1 must start no later than the day we make the initial Loan to you.
- 13.4** The following terms apply if the Property is leasehold and the terms of the lease require your landlord to insure the Property:
- (a) you must make all reasonable efforts to make sure that the landlord insures the Property on terms consistent with those set out in Condition 13.1 above;
 - (b) if the landlord does not insure the Property on such terms, you must inform us and put in place such insurance cover as we may reasonably require; and
 - (c) you must make sure that your interest in the Property and our interest in the Property are noted on the insurance policy (either specifically or in the general interests clause).

- 13.5** If:
- (a) you do not make the insurance arrangements required by Conditions 13.1 to 13.4 (as applicable); or
 - (b) you do not make sure that the required insurance arrangements are maintained and the premiums are paid; or
 - (c) you do not provide us with written evidence on request that the required insurance arrangements are being maintained and the premiums are being paid; or
 - (d) any of the events set out in Condition 17.3 has occurred, then we may (but are not obliged to) insure the Property for such amount and on such terms as we may reasonably decide. Any such insurance premiums paid by us will be treated as Expenses. Any insurance we arrange under this provision will be solely for our benefit and will not cover your interest in the Property.

13.6 In relation to any insurance affecting the Property, you must not do anything, allow anything to be done or omit to do anything which might prejudicially affect the insurance policy or breach any of its terms.

13.7 You must tell us within 14 days of any circumstances preventing or likely to prevent you (or your landlord where the Property is being insured in accordance with Condition 13.4(a)) from being entitled to make a claim under any insurance policy relating to the Property.

13.8 When any claim arises and is made under any insurance policy which you have put in place in relation to the Property, we will have the power and authority to settle with the insurers any question relating to such insurance and you must do anything reasonably necessary to enable us to do this. When we exercise this power we will act reasonably. The insurers will be entitled to pay the money receivable under any such policy to us instead of to you and if they pay that money to us that will satisfy their obligation to you. As long as we act reasonably, we may use any such monies to rebuild or repair the Property and to pay our reasonable Expenses that arise in relation to this. We will use any surplus to reduce the Amount You Owe in accordance with Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges.

13.9 If we require you to take out any other type of insurance in the Mortgage Offer Letter you must maintain the insurance and comply with all of the terms of the insurance policy. If you fail to maintain the insurance we may pay the premium on your behalf and the amount of any premiums will be treated as Expenses. We have the right to settle any insurance claim made in relation to the insurance policy on reasonable terms.

13.10 You must tell us as soon as anything happens which may give rise to a claim under your buildings insurance policy and you must apply the insurance monies in or towards making good the loss or damage in respect of which such monies are received.

13.11 You must hold any money which you receive under any insurance policy relating to the Property on trust for us. Unless it is not reasonably practicable for the Property to be rebuilt or repaired, you must promptly use the money you receive to rebuild or repair the Property to a proper standard (unless we agree otherwise in writing). Any money not used to rebuild or repair the Property must be paid to us. We will use the money to pay our reasonable Expenses and then to reduce the Amount You Owe in accordance with Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges.

14 Shares in a management company or residents' association

14.1 If as a result of your interest in the Property, you hold shares in a management company or residents' association or any similar body you must deposit with us any share certificate you may have. This will not create a charge in our favour.

14.2 If we (or a Receiver) sell the Property as lender, we (or the Receiver) will have power on completion of the sale to transfer any such share to the purchaser. If we receive money as result of that share transfer, we will use that money as if it were a part of the proceeds of sale of the Property.

15 Security and assignment of your rights

15.1 If for any reason the Mortgage Deed is not effective to create a first legal charge or first standard security over the Property, then you agree that you will grant us such a charge or standard security over the Property.

15.2 By entering into the Mortgage Deed you assign to us during the life of the Mortgage so far as you can:

- (a) the benefit of any covenant, agreement, option, undertaking, charge, right, guarantee, right or remedy relating to the Property or the services to it (for example a compulsory purchase order of part of the land);
- (b) compensation and the right to compensation of any kind available to or paid to you in respect of the Property;
- (c) any rights exercisable by you in relation to the Property, whether or not you had these rights at the date of the Mortgage and any money payable to you or received by you in respect of any damage to or depreciation of the Property or its services or amenities; and
- (d) the benefit of any other obligation, security, or right affecting the Property.

15.3 You assign all the above rights to us with the power for us in turn to assign to any purchaser, or to anyone to whom the Mortgage is transferred, anything which is assigned to us under this Condition 15.

15.4 Once you have paid us the Amount You Owe in full, if you ask us to reassign to you the items referred to in Condition 15.2 then we will do so.

- 15.5** The security you provide us under the Mortgage is a continuing security. This means that the Mortgage will remain in force even if you pay or settle part of the Amount You Owe or anything else secured by the Mortgage Deed, or if you die, become bankrupt or mentally incapable.
- 15.6** The security you provide us under the Mortgage is in addition to, and shall not be impaired by, any other security or guarantee we have at any time for repayment of the Amount You Owe or anything else secured by the Mortgage Deed.
- 15.7** You agree to execute any document or do any act or thing which we may reasonably require you to do in order to perfect any security created or intended to be created under the Mortgage or any collateral security, or which we may require to facilitate the exercise or the proposed exercise of any of our powers or the protection, management or realisation of the Property. You agree to do this promptly following our request and to do so whether or not our power of sale under Condition 17 has become exercisable. If you fail to do so promptly following our request we or any Receiver that we may appoint have the right to execute such documents or do such things using our powers set out in Condition 16.

16 Appointment as your attorney

- 16.1** The purpose of this Condition 16 is to enable us to protect our security, i.e. our interest in the Property. We will only exercise our powers as your attorney under this Condition 16 if you fail to comply with your obligations under the Mortgage and we reasonably consider it appropriate for us to protect our interest in the Property through exercising these powers.
- 16.2** As a continuing security, you appoint us and (as a separate appointment) any Receiver irrevocably to be your attorney so that we or the Receiver or any delegate which we or the Receiver appoint under Condition 16.5 can in your name and on your behalf take any action which you are obliged to take under these Mortgage Conditions but which you have failed to take within a reasonable period after we have required you to do so. This power shall include but not be limited to taking the following actions:
- (a) to execute any deed or sign any document you have agreed to sign under these Mortgage Conditions;
 - (b) to exercise any rights in respect of the Property which you may be entitled to exercise and to deal with any money or other benefit arising in respect of the Property or its services, maintenance or amenities;

- (c) to execute a first charge or first standard security in our favour over any extended lease of the Property or any interest in the freehold or in a commonhold unit or heritable title which may be granted to you, if you fail to execute such a charge or standard security within 14 days of us giving you notice requiring you to do so; and
- (d) to do anything else which we reasonably consider to be appropriate in connection with any of our powers in connection with the perfection, protection and rightful enforcement of our security.

- 16.3** Any costs and expenses which we or a Receiver reasonably and properly incur when exercising our powers under Condition 16.2 will be treated as Expenses.
- 16.4** Any payment we receive under this Condition 16 shall be applied by us or a Receiver in reduction of the Amount You Owe in the order set out in Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges.
- 16.5** We and/or the Receiver will be entitled to delegate the power of attorney given in Condition 16.2 to another person (or persons) where this is reasonably necessary for us or the Receiver to exercise any rights or powers under these Mortgage Conditions or under the law.
- 16.6** The appointment in Condition 16.2 is irrevocable and cannot be cancelled without our agreement until you have repaid the Amount You Owe.

17 Our powers

- 17.1** We or any Receiver appointed by us may enter the Property at any reasonable time and on reasonable notice:
 - (a) to inspect it; and
 - (b) if you have failed to comply with the Mortgage Conditions, to do any work which we reasonably consider necessary to protect or preserve our security.

If we enter the Property under this Condition 17.1, it does not mean we have accepted the legal responsibilities of a mortgagee in possession.

- 17.2** For the purposes of our power of sale, the Amount You Owe is to be treated as due one month after the date of the Mortgage Deed. We have the right (except as otherwise provided by statute in relation to a dwelling house) at any time (a) one month after the date of the Mortgage Deed but (b) before the Mortgage is redeemed, to enter into possession of your Property and/or to exercise our powers of sale or of appointing a Receiver. This does not mean that we can immediately require you to pay the Amount You Owe and enter into possession of the Property (we can only do this in the circumstances set out in conditions 7.7 and 17.3)).
- 17.3** If any of the following events occur then the Amount You Owe shall immediately become due and payable and we may enter into possession or exercise the powers of sale or of appointing a Receiver or call up the Mortgage Deed (but we do not have to) if any of the following events has taken place:

- (a) you have failed to pay to us an amount equivalent to three Monthly Payments due under the Mortgage but only where we have made reasonable efforts to reach an agreement with you in relation to the repayment of the shortfall, and either 1) we not able to reach an agreement with you; or 2) you have failed to repay the shortfall either in part or in full in accordance with the terms of any agreement; or
- (b) you fail to make any other payment to us which you owe under these Mortgage Conditions or the Mortgage Offer Letter, and you fail to remedy the breach within two months of our giving you notice that we require the repayment or otherwise we will exercise our rights under this condition 17.3 (or, where it is reasonable for us to give you a longer period to remedy the breach, the longer period that we specify in our notice); or
- (c) you seriously or persistently breach any other term in these Mortgage Conditions or in the Mortgage Offer Letter and you fail to remedy the breach within 14 days of our giving you notice of the breach (or, where it is reasonable for us to give you a longer period to remedy the breach, the longer period that we specify in our notice); or
- (d) you are in breach of a legal obligation the effect of which is in our reasonable opinion to threaten the effectiveness or materially reduce the value of our security interest in the Property and you fail to remedy the breach within 14 days of our giving you notice of the breach (or any longer period we allow you to remedy the breach); or
- (e) we become aware that any of you have provided us with false or misleading information in relation to your application for the Mortgage or a Further Advance, that (i) we relied on this information in reaching our decision to lend to you and (ii) we are satisfied that had we known of the true position or that you were providing us with false or misleading information, we would not have entered into the Mortgage with you or made the Further Advance to you; or
- (f) you have been served with a notice under Condition 7.7 and you have failed to make the required payment for two months after service of the notice; or
- (g) any of you propose to enter into a voluntary arrangement with your creditors or have a bankruptcy order made against you or petition the court for bankruptcy or have a receiver or administrator appointed over any part of your assets or apply for or similar treatment or are subject to similar proceedings; or
- (h) there is a judgment against any of you for a debt which you do not pay within the timescales specified in the judgment and we reasonably believe that the existence of the debt will impair your ability to pay us any amounts which you are required to pay under these Mortgage Conditions; or

- (i) a third party seizes any of your possessions because you have not paid a debt owed to them and we reasonably believe that this will impair your ability to pay us any amounts which you are required to pay under these Mortgage Conditions; or
- (j) the Property is or will be compulsorily acquired or is or will be demolished by order of any Government or Local Government authority; or
- (k) where we offer you a mortgage under our buy to let scheme, the Property remains unoccupied for a period of 30 days or more without our express consent (where we offer you a mortgage that is not under our buy to let scheme you must advise us and your buildings insurance company if the Property is unoccupied for more than 30 days); or
- (l) another lender gives notice that they are going to exercise their rights to take possession, appoint a Receiver in respect of the Property or exercise a power of sale over the Property.

17.4 Where the Property is in England and Wales, we may exercise our powers of sale and of appointing a Receiver free from the restrictions imposed by section 103 of the Law of Property Act 1925. This means we may exercise our rights under this Condition 17 if any of the events referred to in Condition 17.3 takes place, whether or not in addition to that event:

- (a) we have sent notice to you or any one of you requiring payment of the Amount You Owe;

- (b) you have breached the terms of the Mortgage or another legal requirement; or
- (c) you are behind in your Monthly Payments.

17.5 If any of the events referred to in Condition 17.3 takes place, then:

- (a) after obtaining any necessary court order, we may enter into possession of the Property and/or exercise our powers of sale;
- (b) we may immediately exercise our powers of sale and of appointing a Receiver; and
- (c) the Amount You Owe will become immediately due and payable by you to us.

17.6 If we sell the Property, then the sale proceeds shall be used to pay off the Amount You Owe in the following order:

- (a) where you are in arrears, any payment shortfall which has arisen;
- (b) the Expenses which we incur in connection with (i) the sale of the Property and (ii) the repayment of the Amount you Owe;
- (c) any interest due from the start of the current Interest Period until the date on which we receive the proceeds of sale;
- (d) the remainder of the Outstanding Capital; and
- (e) any outstanding Charges.

17.7 You have 14 days after we or a Receiver enter into possession of your Property to remove any belongings or goods you have left in or upon the Property. If you do not remove your belongings within those 14 days, we or the Receiver shall be entitled to sell your belongings or any of them as your agent. We or the Receiver may either sell your belongings separately or sell them with the Property (and if sold with the Property, may apportion the total purchase price between the Property and the belongings).

17.8 We may use any money which results from the sale of your belongings to pay the Expenses we incur in selling them. Our rights under this Condition 17 do not give us any security over your belongings.

17.9 Unless otherwise stated in the Mortgage Offer Letter, if the Property is in England and Wales the powers of leasing and accepting surrenders of leases conferred on you by sections 99 and 100 of the Law of Property Act 1925 (which set out some specific powers in relation to dealing with the Property) shall not apply to the Mortgage. Please ask your legal adviser if you require further information.

17.10 If we exercise our right of possession we may:

- (a) rebuild, repair or improve the Property (including any buildings, fixtures, fittings or other items that are in or form part of the Property);
- (b) carry out building work at the Property or improve the Property;

- (c) apply for any planning permission, buildings regulations approval or other permission or licence required in relation to (a) or (b);
- (d) insure the Property (or any associated buildings, fixtures, fittings or other items that are in or form part of the Property) against whatever risks and on whatever terms we consider appropriate;
- (e) let or lease the Property, vary the terms of, terminate or accept surrenders of leases, lettings or tenancies of the Property, grant options over, or enter into any agreement in relation to, all or any part of the Property. This may be done for any time and at any rent and with or without taking a capital sum (also known as a premium) and generally upon such other terms and conditions as we shall determine;
- (f) make any arrangements or compromise which we consider suitable;
- (g) transfer any share to a purchaser of the Property or exercise any votes attached to any share; and
- (h) appoint and pay any managers, consultants, contractors, professionals or agents for any of the above purposes on any terms that we decide.

Any capital sum which we receive upon the grant of a lease or the entry into agreement for a lease shall be applied by us first in payment of all Expenses incurred in relation to such a lease or agreement for lease and second, to reduce the Amount You Owe in accordance with Condition 7.6 and then to pay any outstanding Charges. Any balance remaining shall be paid to the

person who would be entitled to the balance, if there was any money remaining after exercise of our power of sale.

- 17.11** We will only exercise our powers in Condition 17.10 if both:
- (a) it is reasonable for us to exercise them either:
 - (i) to protect or preserve our security; or
 - (ii) to realise our security on favourable terms; and
 - (b) any of the events referred to in Condition 17.3 takes place.
- 17.12** If you do not perform any obligation imposed on you by these Mortgage Conditions or you do not perform any other obligation affecting the Property, we shall (in addition to any other remedy available to us), be at liberty to meet your obligation in whole or in part in order to protect, preserve or rightfully enforce our security and to pay all costs and expenses that result from your default. All sums so paid by us may be treated either: as immediately due by you and payable to us; or as Expenses. This condition will apply, for example, where you fail to pay sums lawfully payable under any lease.
- 17.13** If we are not able to discover your whereabouts after we sell the Property and there are surplus proceeds of sale, those proceeds will be paid into any deposit account which you (or, where there are more than one of you, all of you) have with us. Where you do not (or do not all) currently have a deposit account with us we will open one for this purpose. Where you have more than one

deposit account with us, we may choose which account to pay the surplus proceeds into.

- 17.14** We shall be entitled to examine and take copies of all files, papers and other documents relating to or connected with your purchase of the Property which are in your possession or which are in the possession of your Conveyancer or other legal or professional adviser where it is reasonable for us to do so. You irrevocably authorise and require any such adviser to give us such access to those files, papers and other documents as we may reasonably require for the purpose of such examination and copying until you have repaid the Amount You Owe in full.
- 17.15** If we appoint a Receiver:
- (a) after paying any claims that may have priority over our claims against you, the Receiver will (so far as the law allows) use all money he receives to:
 - (i) pay to other people all costs, charges and expenses connected with his carrying out any of his powers and all costs properly payable by him;
 - (ii) pay his fees, where we have agreed those fees with him;
 - (iii) pay the remainder of the Amount You Owe to us, which we use in the order set out in Conditions 7.4, 7.5 and 7.6 and then to pay any outstanding Charges; and
 - (iv) pay any remaining proceeds to the person entitled to them;

- (b) the Receiver may employ and pay agents to carry out any work on his behalf;
- (c) the Receiver may exercise any of the rights and remedies which we may exercise including a power to sell the Property and including (but not restricted to) the powers and remedies listed in Condition 17.10; and
- (d) if we appoint more than one Receiver they will have the power to acting jointly as well as severally. The Receiver will act as your agent and you will be responsible for their actions.

18 Transferring your loan to another property

18.1 This Condition 18 applies if:

- (a) you plan to sell the Property and purchase another property in England and Wales or Scotland (the "New Property");
- (b) at the time you repay the Amount You Owe, you will complete the purchase of the New Property within 90 days; and
- (c) you apply to us for a loan to finance your purchase, to be secured by a new mortgage on the New Property (the "New Mortgage").

18.2 If this Condition 18 applies then:

- (a) you may apply to us to transfer to the New Mortgage part or all of any Loan which is included in the Amount You Owe at the time when you complete the purchase of the New Property (the "Transfer Balance"); and

- (b) when we decide whether to grant the New Mortgage, we will apply our normal lending criteria at the time.

18.3 If we grant the New Mortgage:

- (a) the terms which apply to the Transfer Balance will be set out in our offer for the New Mortgage; and
- (b) we will ensure that our offer of the New Mortgage provides for interest to be charged on the Transfer Balance at the same rate(s) and for the same period(s) as would have applied if the Transfer Balance had remained owing under the Mortgage.

18.4 If you transfer your mortgage within the period when Early Repayment Charges are applied (as set out in your Mortgage Offer Letter), you may not have to pay the Early Repayment Charges if the purchase of the New Property completes within 90 days of the discharge of the Amount You Owe and the New Mortgage is for an amount equal to or more than the Amount You Owe at the point the Mortgage is discharged.

18.5 If you transfer your mortgage within the period when Early Repayment Charges are applied and the New Mortgage is for less than the Amount You Owe, Early Repayment Charges will be applied to the difference between the Amount You Owe and the New Mortgage (at the rate set out in section 10 of your Mortgage Offer Letter).

CHARGES, FEES AND EXPENSES

19 Charges, fees and expenses

- 19.1** Where we incur a Charge in relation to your Mortgage, we will notify you of this.
- 19.2** Your Mortgage Offer Letter will say whether any Charges are payable in connection with the making of a Loan, whether an Early Repayment Charge is payable, and in each case your Mortgage Offer Letter will say how much the Charge will be and when you must pay it. Your Mortgage Offer Letter will also say how much the Mortgage Discharge Fee is.
- 19.3** Our Tariff of Charges sets out the standardised Charges we make under the Mortgage, and these Charges will be payable in the circumstances set out in the tariff. We will send you our current Tariff of Charges when we send you your Mortgage Offer Letter and with your annual mortgage statement if any changes to the tariff have been made.
- 19.4** We can increase our Charges or apply additional Charges where it is reasonable to do so to reflect an increase in our costs (this could include, for example, an increase in the cost of providing the service or increased costs caused by a change in our Regulatory Requirements) or where we introduce a new service the costs to us of providing that service.
- 19.5** If we are going to carry out an activity listed in our Tariff of Charges for which the Charge has increased since we last sent you a copy of our Tariff of Charges, we will tell you what the new Charge is before we carry out the activity.
- 19.6** We may decrease our Charges to you at any time and for any reason.
- 19.7** If we provide an optional new service or facility in connection with the Mortgage, we may introduce a new Fee for that service or facility.
- 19.8** The amount of our Expenses set out in our Tariff of Charges is based on our reasonable estimate of the average Expenses we incur in typical cases rather than the actual Expenses we incur in the particular case.
- 19.9** If we incur an Expense of a kind which is not set out in our Tariff of Charges, you must pay this amount to us. We will charge you an amount in relation to the Expense which is no more than our reasonable estimate of the amount of the actual Expense we incur. We will not charge you twice for a single Expense.
- 19.10** We will only amend our Tariff of Charges to increase the amount of an Expense listed on our Tariff of Charges or to add a new Expense (which if we had not added it, would have been covered by Condition 19.9), if the Expense reflects:
- (a) a sum which we have to pay to another person to enable the activities for which the Expense is made to be carried out; and/or
 - (b) a reasonable proportion of staff and other administrative costs which we incur in connection with the activity.

In each case, the increased or new Expense may represent our reasonable estimate of the average costs and expenses we incur in connection with our mortgage lending rather than the precise amount of costs and expenses we incur in your case.

- 19.11** We will add a Charge to your Outstanding Capital if you ask us to or if your Mortgage Offer Letter says that we will. In all other cases you must pay us the amount of the Charge within 60 days of us notifying you that we have incurred the Charge. If you do not pay the full amount of the Charge to us within 60 days we may add the unpaid amount to your Outstanding Capital if it is reasonable to do so. We will tell you in writing if we do this and inform you of any changes to your Monthly Payment.
- 19.12** Where we add any Charge to the Outstanding Capital, this will be treated as principal money owing under the Mortgage. This means that interest will be charged on that Charge at the Interest Rate under Condition 9.
- 19.13** Copies of our Tariff of Charges are available in our stores and on our website at: metrobankonline.co.uk
- 19.14** In addition to the Charges set out above, if you have been introduced to us by either a financial intermediary or a broker, they may charge you fees for their services and we may pay them a commission when the Loan completes. The amount of any fees or commission (or both) will be shown in the Mortgage Offer.

SECURITY FOR FURTHER ADVANCES

20 Security for further advances

The Mortgage is made to secure both the First Advance and any Further Advances but unless the Mortgage Offer Letter provides otherwise, we are not obliged to make any Further Advances to you. If we do make a Further Advance, that advance will be secured by the Mortgage if the Mortgage Offer Letter says so.

USING MONEY FROM YOUR BANK ACCOUNTS TO MAKE YOUR PAYMENT

21 Using money from your bank accounts to make your payment

- 21.1** This Condition 21 sets out our right to combine or set-off any of the Amount You Owe with any money we owe you (for example, on a credit balance in one of your accounts with us). It also explains the circumstances in which we might exercise our right and the limitations on it.
- 21.2** If any of the Amount You Owe is overdue for payment, we may use any money in any of your accounts with us to reduce or repay the Amount You Owe.
- 21.3** You should tell us if:
- (a) anyone else has a right to any money in your account(s) (for example, if you are holding the money for someone else's benefit); or
 - (b) the money in your account(s) has been received from a government department or local authority for a specific purpose; or

- (c) you are under a legal obligation to someone else to retain and deal with the money in your account(s) in a particular way.

We will not exercise our right under this Condition 21 against the money in an account if we know that any of these circumstances apply or we are on notice of matters that reasonably suggest that they apply in relation to the account.

- 21.4** We will, as far as practicable, avoid exercising our right under Condition 21.2 to reduce the balance in one of your accounts below the amount which we reasonably estimate is needed (a) to meet your essential living expenses; or (b) to pay debts whose non-payment might result in your imprisonment, loss of essential goods and services (for example, utility bills, court fines, child support maintenance and council tax).
- 21.5** We may exercise our rights under Condition 21.2 by using money in any account in your sole name or the joint names of all the Borrowers to pay anything you owe jointly; or by using money in accounts in your sole name or your joint accounts to pay anything you owe in your sole name. We will, as far as practicable, refrain from using money in an account in joint names to pay anything you owe in your sole name under this agreement.
- 21.6** If we decide to exercise our rights under Condition 21.2, we will generally tell you (and anyone else entitled to the money to be used to reduce or repay the Amount You Owe) at least 14 calendar days before doing so unless we reasonably think that the money will be moved to prevent us exercising our rights. If we have not told you before we exercise our rights, we will tell you (and

anyone else entitled to the money) why and when we did so as soon as possible after we exercise our rights.

- 21.7** We will use money in your accounts for the purposes of this Condition 21 only to the extent that we are permitted to do so by the terms and conditions that apply to those accounts.
- 21.8** From time to time we receive legal orders or notices to hold customers' money for someone else or to pay it to someone else. If this happens in relation to any of you, the money available to the other person will be what is left after we add up amounts we owe the affected Borrower(s) on your affected accounts and deduct amounts the affected Borrower(s) owe us (whether they are Amounts You Owe under the Mortgage or otherwise), including any interest arising after the legal order or notice, unless we decide otherwise.

CHANGING THE INTEREST RATE AND TERMS OF THE MORTGAGE

22 Changing the interest rate and terms of the mortgage

- 22.1** Our rights to change the Interest Rate are set out below. These rights will not apply at any time when your Mortgage Offer Letter says the Interest Rate is fixed. These rights will not permit us to change the agreed margin during any period when your Mortgage Offer Letter says the Interest Rate is a variable rate and that variable rate is linked to a reference rate, such as the Standard Variable Rate or another reference rate we control or the Bank of England Base Rate, by an agreed margin (which may be positive, negative or zero).

22.2 When the Interest Rate is linked to a reference rate then:

- (a) for so long as the reference rate applies the Interest Rate will change to track changes in that reference rate, but not otherwise; and
- (b) any change in the reference rate will be applied to the Interest Rate at the beginning of the day on which the change takes effect.

If your Mortgage Offer Letter states that a minimum rate applies to your Loan or any Loan Part then if at any time the reference rate is reduced to an amount which would result in you paying interest at less than the minimum rate, that Interest Rate will cease to track changes in the reference rate until it is increased so that the Interest Rate you pay is equal to or more than the minimum rate specified in the Mortgage Offer Letter. If your Mortgage Offer Letter states that the Interest Rate is a variable rate with a discount but does not specify that variable rate, then the variable rate to which the discount applies is our Standard Variable Rate.

22.3 If your Mortgage Offer Letter says the Interest Rate is a variable rate and that variable rate is or is linked to a reference rate which we control (such as our Standard Variable Rate), we may change that reference rate, this includes making changes to variable rates which apply at the end of any fixed interest rate period. This will change the Interest Rate but not any agreed margin which links the reference rate to your Interest Rate. We may only do this:

- (a) if, at any time:
 - (i) there is a change in Bank of England Base Rate; or

- (ii) there is 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 increase); or
- (iii) there is a change beyond our reasonable control in the costs to us of providing your Loan (including changes in the technology we use); or
- (iv) there is a change in Regulatory Requirements, industry guidance or codes of practice (or we reasonably expect that such a change is about to occur); or
- (v) to reduce the rate for any reason.

Where we make a change under paragraph (a) (i) above, the change will be a proportionate response to the change in Bank of England Base Rate. Where we make a change under paragraph (a)(ii) above, the change will be a proportionate response to the change in our costs. Where we make a change under paragraph (a)(iii), or (a) (iv) above, the change will be a fair proportion of the cost to our mortgage lending business of complying with the change in the costs to us of providing your Loan, or of complying with the change in Regulatory Requirements, industry guidance or codes of practice. We will not change the Interest Rate and our Charges to cover the same cost twice. We will not change any margin which links the Interest Rate to a variable rate.

22.4 Condition 5.1(b) and (c) explain how we will notify you of any change to the Interest Rate under Conditions 22.2 or 22.3.

CHANGES TO OUR CHARGES

22.5 Condition 19 explains the circumstances in which we may change our charges

CHANGES TO OTHER TERMS

22.6 We may change any of the other terms of the mortgage for any of the following reasons:

- (a) where we reasonably consider that:
 - (i) the change would make the terms clearer or more favourable to you; or
 - (ii) the change would not be to your disadvantage and is being made:
 - to reflect a change in relevant law or the way we are regulated; or
 - to enable us to respond proportionately to the making of a relevant recommendation, rule, requirement or decision of any court, ombudsman, regulator or similar body; or
 - to enable us to give effect to an undertaking which we have given, or to respond to any undertaking given by another person, to one of our regulators; or
 - to enable us to respond proportionately to a change in the identity of a regulator, central bank or similar body which affects our mortgage lending business; or
 - to reflect a change in our systems and procedures, including any change arising from any reorganisation of our business as a result of it being acquired by, or by our acquiring, another bank or organisation; or
- (b) to correct any obvious errors, omissions or inaccuracies, provided that the correction does not materially change 1) your Mortgage Conditions; 2) your rights and /or obligations; and/or 3) our rights and/or obligations; or
- (c) to make provision for:
 - (i) the improvement of any service or facility we supply in connection with the Mortgage; or
 - (ii) the introduction of a new service or facility; or
 - (iii) the replacement of an existing service or facility with a new one; or
 - (iv) the withdrawal of a service or facility which has become obsolete or has ceased to be widely used or has not been used by you at any time in the previous year; or
- (d) to enable us to make reasonable changes to the way we look after your accounts as a result of changes in:
 - (i) the banking or financial system; or
 - (ii) technology or security design; or
 - (iii) the systems we use to run our mortgage lending business; or

- (e) to enable us to comply with a Regulatory Requirement.

22.7 We will notify you of any changes under Condition 22.6 (other than a change under Condition 22.6(d)) not less than 30 days before the change takes effect. We may introduce changes immediately and advise you within 30 days of the change if we reasonably consider the change is not to your disadvantage.

22.8 In the case of a change under Condition 22.6(d), we will act proportionately and we will seek to minimise any effect the change may have on the timing and/or amount of your Monthly Payments. If we believe the change might have more than a minor effect on the timing and/or amount of your Monthly Payments, we will give you at least three months' prior notice of the change.

OTHER MATTERS

23 Data privacy and your personal information

23.1 Our collection of information

We provided you with details required by data protection laws applicable to our processing of your personal information during the application process. This document supplements that information. Data protection laws require us to keep your personal information secure.

The personal information we hold about you is limited to that which:

- you have directly provided to us during application;

- we receive from trusted third parties during eligibility checks;
- we collect during the provision of our contracted services to you; and
- we occasionally obtain from publicly available sources such as social media sites and Government registers.

Personal data includes any information that directly or indirectly identifies you, including your, any photograph that we take of you, together with any signature we get from you, as part of our account-opening process for the purpose of checking your identity.

You must not give us personal information about someone else (such as a joint applicant or a parent or a guardian) without first getting their permission for it to be used and released. We will assume that he or she has given permission, although we may still ask for confirmation. Credit reference agencies will give us information about you. This information may be linked to information about someone else you have had a joint account or similar financial association with, including members of the same household. By sending us the mortgage application you confirm that their finances will not affect our decision. We will check this and may turn down the mortgage application if we find it is inaccurate. Otherwise, we will assess you on your own, unless there is more than one person applying.

If you are a joint applicant, you must be sure that you are entitled to:

- (a) Reveal information about your joint applicant; and
- (b) Authorise us to search, link or record information at credit reference agencies about you and anyone you have referred to.

We also regularly record and monitor our telephone calls to help improve the products and services we provide to you.

Our web application uses Google Analytics, a web analytics service provided by Google, Inc. ("Google"). Google Analytics uses cookies to help us analyse how you use the application. Neither Metro Bank nor Google will associate your IP address with any other personal information held by Metro Bank or Google.

We maintain an online presence on popular global social media websites including (but not limited to) Twitter, LinkedIn and YouTube. By engaging with us on these sites, you are accepting that the webpages are available to the general public and agree to the following:

- social media web pages are not private, please do not share your personal account information on any of the websites, including through the use of private messages;
- although we do always try to read every message sent to us on social media, we cannot guarantee a response to every message;

- any pictures you provide on our social media web pages may be used within our internal newsletters; and
- any information that you provide us with on social media webpages may be retained by the webpage for longer than your relationship with us.

Cookies are small text files which ask permission to be placed on your computer by websites you visit. Your web browser may allow you to erase the cookies, block all cookies or receive a warning before a cookie is stored. Please refer to your browser instructions or the website below for guidance. However, in some instances, unless the cookies are accepted, parts of our application will not function fully or at all.

For further information regarding cookies please visit metrobankonline.co.uk.

23.2 Data controller

Metro Bank PLC, registered in England and Wales, Company number: 6419578 is a data controller for the personal information you have provided to us for the purposes specified in this document. You can contact us in writing about how we use your personal information, or to exercise any of the data subject rights set out in Clause 2.7 of these terms and conditions by writing to the following address.

**Data Protection Officer
Metro Bank PLC
One Southampton Row
London WC1B 5HA.**

Or please email the Data Protection Officer at dataprotectionofficer@metrobank.plc.uk.

23.3 Legal bases and the purposes we require personal information

To deliver our contracted services (or steps taken on your request prior to entering into a contract) we process and share your personal information for the purposes of providing financial advice and services:

- Managing your account(s);
- Decide if a product or service is suitable to your needs;
- Tell you about important changes or developments to those services;
- Check identities;
- Trace your whereabouts;
- Collect money that you owe us;
- Update, bring together and improve records;
- Respond to your enquiries, complaints and issues;
- Deal with offers, competitions and promotions;
- Evaluate the effectiveness of marketing and for research, training and statistical analysis with the aim of improving services; and
- Assess lending and insurance risks.

To ensure compliance with applicable laws and regulations, we process and share personal information for the purposes of:

- Detecting, preventing and prosecuting crime or terrorism (including CCTV);
- UK and International co-operation for TAX; and
- Credit and Identification checking and validation.

For our legitimate business interests we process and share personal information for the purposes of:

- managing and supporting our staff;
- maintaining stocks and shares registers;
- maintaining our own accounts and records;
- to help improve customer service;
- checking details of job applicants and employees; and
- making or keeping copies of passports, driving licenses or other identification evidence that you provide for our security and business needs.

Where we have your consent we optionally also process and share personal information for the purposes of:

- identifying other MetroBank products, services and facilities that may interest you;
- selling, hiring or exchanging it; and
- telling other carefully chosen organisations about you if we think that you may be interested in hearing from them about their products and services.

We may do this by post, by phone, by email or by text as you have told us we can.

In order to process and use your personal information, we rely on the following legal bases:

- (i) processing is necessary for the performance of the services we provide to you; or
- (ii) processing is necessary for the purposes of the legitimate business interests pursued by Metro Banks; or
- (iii) you have given explicit consent to the processing of your personal information for one or more specified purposes.

23.4 Who we share personal information with and why

We share your personal information (including copies of your identification, photographs, signature and any other personal information that we hold about you) to enable us to process personal information for the purposes previously outlined.

We share personal information with:

- Credit Reference Agencies;
- Law enforcement;
- HM Revenue & Customs;
- Fraud detection organisations;
- UK Financial Regulators;
- External Auditors & Accountants; and

- other Financial Service Organisations (lenders and operators of card schemes) both within the UK and abroad

We will not release your personal information to anyone without your permission, unless:

- you have provided your consent;
- Metro Bank is party to a merger or acquisition; we have to or are allowed to under these terms and conditions, by law, regulatory bodies or if it is in the public interest;
- HM Revenue & Customs, the Financial Conduct Authority (FCA) or other authorities (whether in the UK or abroad) say we must;
- other organisations, such as fraud-prevention or law-enforcement agencies tell us to so they can investigate or prevent crime or terrorism;
- there are other parties connected to your account i.e. joint accounts;
- it is necessary or desirable to share with specific subcontractors who help to provide you with the services you have requested; or
- we need to do so to collect money that you owe.

If we receive a request from another bank or financial institution to confirm your identity for the purpose of preventing money laundering, we will provide this information without asking your permission.

23.5 Transferring your personal information outside the EU

The UK, countries in the EEA (European Union countries plus Iceland, Liechtenstein and Norway) and some other third countries are all recognised by the European Commission (Andorra, Argentina, Canada (commercial organisations), Faeroe Islands, Guernsey, Israel, Isle of Man, Jersey, New Zealand, Switzerland and Uruguay) as having adequate standards of data protection laws for your personal information.

In connection with providing you our services, we are required to send personal information to countries outside the EEA to countries which have not been deemed to have adequate standards of data protection. When we do so we perform a risk assessment prior to the transfer and use EU recognised and enforceable Model Clause contracts so that your information is protected in line with data protection laws, as applicable in the UK.

Instances where we will transfer your data outside of the EU include:

- processing international payments;
- disclosures to foreign authorities to reduce financial crime and terrorism;
- picture based, human verified, identification checks for online account opening; or
- the information generated by cookies about your use of our web application (including your IP address but no other personal information).

Where we process international payments outside the UK at your request, we do so through SWIFT (the worldwide payments system). When we do this your personal information will be processed and stored abroad by other banks or financial institutions involved in completing the payment. Those banks and financial institutions may have to release the information to foreign authorities, including those outside the EEA (in which case your personal information may not be protected in line with data protection laws).

23.6 Retaining your information if you stop banking with us

At the end of your relationship with us (for example, if you decide to close your account) we retain your information for as long as required to meet our statutory legal and regulatory requirements. Where retention is based on other reasons we will retain it for no more than 7 years.

23.7 Your Rights over your personal information

Under the General Data Protection Regulation (from 25th May 2018) you have new, clearly described rights over your personal information that we process.

You can exercise your rights by contacting us by post or phone using the contact details provided or by visiting one of our stores. We do need to confirm your identity before processing your request(s). If you cannot give us satisfactory proof of your identity we have the right to refuse a request.

Rights to access a copy of your personal information

You can request a copy of the personal information that we hold about you. This is generally known as a 'Data Subject Access Request' and we normally have 1 month to respond.

Right to request rectification of your personal information

We take reasonable steps to keep your information accurate and current but you can also ask us to change any information we hold about you to keep it accurate, complete and current. However, please remember that it is your responsibility to tell us about any updates to this information.

Right to request erasure of your personal information ("to be forgotten")

In certain circumstances, you have the right to ask us to erase the personal information we hold about you, for example, if you withdraw your consent to our processing of your personal information, your personal information is no longer necessary for the purposes it was collected for, or your personal information has been processed unlawfully.

Where there are legitimate reasons that we must retain some of your personal information after you have requested its erasure, appropriate organisational and technical controls will remain in place. Such reasons include for compliance with a legal obligation to which we are subject, for reasons of public health or for statistical and historical research purposes, or for the establishment, exercise or defence of legal claims.

Right to request restriction on our processing of your personal information

You can request that we restrict our processing of your personal information where:

- you contest the accuracy of the information we hold (restricted until it has been verified);
- it was processed unlawfully but you do not wish us to erase it just restrict our processing; or
- we no longer need the personal information but you need us to retain it for the establishment, exercise or defence of a legal claim.

Where a restriction is in place we can continue to store your information but only otherwise process it with your consent or for the establishment, exercise or defence of legal claims, for the protection of another individuals rights or for important public interest reasons. We will inform you prior to the lifting of any restriction.

Right to raise an objection to our processing of your personal information

Where our processing of your information is performed on the basis of 'Legitimate Business Interest' or 'public interest' then you can request we stop the processing. We can continue to process your information for the establishment, exercise or defence of legal claims and if we demonstrate compelling legitimate grounds which over-ride your interests, rights or freedoms.

You can object to our processing of your information for direct marketing purposes and we will cease any processing related to direct marketing.

Right to data portability

In certain circumstances, where technically feasible, you have the right to receive the personal information in a structured, commonly used and machine-readable format and have the right to transmit such personal information to another data controller, if the processing is based on consent and is carried out by automated means.

23.8 Right to withdraw consent for optional processing

You may at any time withdraw consent for any optional uses of your information to which you have previously consented.

23.9 Right to lodge a complaint with a supervisory authority.

If you are ultimately dissatisfied with our use or management of your personal information, you have the right to lodge a complaint with a EU Data Protection Supervisory Authority. That authority should be located either where you live, where we are based, or where you feel issue you wish to complain about took place.

In the UK the relevant Data Protection Supervisory Authority is the Information Commissioners Office (ICO).

23.10 Automated decision making

We are responsible lenders. Metro Bank utilises credit scoring to provide an independent, objective and consistent approach to Customer Credit Assessment. We take into account your personal circumstances to see whether we should open a current account or lend to you. To help us to do this, we have a policy to use a process called 'credit scoring'.

The policy rules cover such areas as: CCJs, NOCs, CIFAS warnings, Credit Defaults, Previous mortgage arrears and / or Possessions, existing Metro Bank account status. As a start-up organisation it is not feasible for Metro Bank to develop its own bespoke scorecards for Credit Assessment. As such, Metro Bank will utilise its relationship with the Credit Bureau, Equifax, which provides the industry standard Risk Navigator Score (RNS).The bank will implement new and alter existing policy rules over time as further data or performance records become available.

We or the relevant credit-reference agency take into account available information about you – such as your ability to repay, your credit history and factors such as how long you have lived at your present address. Points are allocated for each piece of relevant information and we then add up these points to produce a score. When your score reaches a certain level, we may use this together with other relevant factors to help decide whether we will agree to your application. If your score does not reach this level, we may not do so or we may only agree to make limited facilities available to you. We also have policy rules to decide whether we will open a current account or lend to you. These policy rules reflect our commercial experience and requirements and help us make the decision whether or not to allow you to open an account or to lend to you.

The points allocated under credit scoring are based on a thorough analysis of large numbers of repayment histories over many years of providing credit. This statistical analysis allows us or credit-reference agencies to identify characteristics that predict a likelihood of future performance. We believe it is fair and impartial and helps to produce consistent decisions.

It also helps us to decide whether you can afford our facilities. We try to assess the effect that any borrowing you ask for may have on your overall financial wellbeing.

Every credit or loan application involves a certain level of repayment risk for a lender, no matter how reliable or responsible an applicant is. Credit scoring helps us to work out the level of repayment risk for each applicant based on available information. If that level of risk is unacceptable for us, having looked at your credit score and other factors, we will refuse your application. Exceptionally, Metro Bank will manually assess an application to understand the reason for any credit impairment and whether this is an exceptional circumstance.

We are not obliged to accept an application. If we are unable to accept your application, we will tell you. If we can, we will also tell you the main reason why we did not accept your application. If we refuse your application, we will not pass this information on to a credit-reference agency. You may contact us and ask us to reconsider our decision. If you do, we will generally ask you to give us the extra information that we need.

23.11 Any further uses of your information in future

If we determine that your personal data is to be used for a purpose not already notified to you we will provide you with further information prior to processing for that new purpose.

We will tell you in writing about any changes and allow you 30 calendar days to raise any objections before we make any change. If you have not given your permission for the change to be made, please be aware that it may affect the services we can provide to you and in some instances we may need to close your account (or accounts).

23.12 Where you may see a record or an impact from our activities

Credit reference agencies

We will search your record at credit-reference agencies, when considering your application. We may share your personal information with credit-reference agencies:

- to check your identity;
- to decide if you are eligible for an account, service or facility; or
- as part of our fraud-prevention measures.

Credit-reference agencies use information from a number of different public sources (for example, the electoral roll, county court judgments and bankruptcies), as well as information from other banks or lenders on how you manage your other banking or credit arrangements.

If you apply for one of our current accounts or credit facilities, we may use details of your credit history to assess your ability to meet your financial commitments. Credit-reference agencies will record details of your application and our search will form part of your credit history. They will do this whether or not you go ahead with your application. These details will be seen by other organisations that examine your record. Records relating to one or more of your partners may already be linked to your record and we may consider these 'associated' records when considering your application.

If you get into financial difficulties, we will give you at least 28 calendar days' notice before we release information about your financial difficulties (default), if you are not disputing the problem, to the credit-reference agencies. We may give you this notice at the time we take formal action against you. This will give you at least 28 calendar days to try to repay money you owe or come to some other arrangement. If we do tell the credit-reference agencies about your financial difficulties, this may affect your ability to get credit in the future.

If you make a joint application for one of our current accounts or credit products, the credit-reference agencies will create an 'association' linking your financial records with those of the people you are applying with. This will be entered into each of your financial records until one of you successfully applies to the credit-reference agencies for the link to be broken (disassociation).

If you hold a current account with us, we will regularly update the credit-reference agencies with details of the status of your account (including the balance of any overdraft), details of any defaults, any changes to your personal information and any special circumstances that apply to your account, such as whether you have entered into an arrangement with your creditors. We will add these details to your record.

If you ask, we will tell you which credit-reference agencies we have used so you can get a copy of your details from them. The credit-reference agency will charge a fee for this information.

Law enforcement, fraud prevention and other agencies

If you give us false or inaccurate information and we identify or suspect fraud or other criminal activity, we may pass details to fraud prevention agencies or credit-reference agencies (or both). Law-enforcement agencies may also access and use this information. We and these other organisations may access and use your personal information to prevent fraud and money laundering, for example, when:

- checking details on applications for credit and credit-related accounts or other facilities;
- managing credit and credit-related accounts or facilities;
- recovering debts;
- checking details on proposals and claims for all types of insurance; or
- checking details of job applicants and employees.

If you ask, we will provide you with details of the relevant fraud-prevention agencies.

We and these other organisations may access and use the information recorded by fraud-prevention agencies or credit reference agencies (or both) from other countries

HMRC - Common reporting standard

As a recognised financial institute subject to the international 'Common Reporting Standard' we are required to report account holder information to HMRC where the account holder is also resident for tax purposes in other countries. HMRC will exchange these details with those countries. The personal information we must provide includes: name, address, jurisdiction of residence, Tax Identification Number (TIN) and date of birth for each reportable person (including any company controlling persons for company accounts).

We are also required to report:

- Account balance/value at year end (or when the account is closed);
- For custodial accounts the interest, dividends, other income, gross proceedings from sale or redemption paid or credited during the year;
- For depository accounts the gross interest paid or credited in the year; and
- For other accounts, the gross amount paid or credited during the year.

23.13 Credit-reference agencies

We will search your record at credit-reference agencies, when considering your application. We may share your personal information with credit-reference agencies:

- to check your identity;
- to decide if you are eligible for an account, service or facility; or
- as part of our fraud-prevention measures.

24 Transfer of mortgage

24.1 We may transfer any or all of our rights in the Mortgage to any person or persons whom we reasonably consider will treat you fairly and who in our view is capable of performing our obligations under our agreement with you to the same standard that we do. This includes our right to transfer any related rights or interests under the Mortgage Offer Letter, the Mortgage Deed or any other connected agreement with you. You will be bound to any person we transfer any rights to in the same way and to the same extent as you are bound to us. The terms of your Mortgage will remain as they were prior to any such transfer, and we will notify you in writing if any such transfer is to be made.

24.2 This power to transfer the Mortgage includes the power for us to offer your Mortgage (either alone or as part of a group of mortgages) as security for borrowing by us.

24.3 We may pass on any information or documents relating to your Mortgage to any person to whom we transfer or may transfer your Mortgage provided they agree to keep that information confidential in the same way as us.

24.4 You may not transfer any obligations or rights, benefits or interests under your Mortgage to someone else unless we say in writing that you can.

25 Mistakes and omissions

25.1 If we make a mistake or there is an omission in any statement or information given to you in connection with the Mortgage or any account you have which is secured by the Mortgage, such a mistake or omission (whether made during the term of the Mortgage or after its discharge) will not prevent us from subsequently correcting the mistake or omission and recovering the full amount properly due from you.

25.2 Condition 25.1 does not prevent you from recovering compensation from us for any loss you may suffer as a result of a mistake or omission in any statement or information which we give you in connection with the Mortgage.

26 Third party rights

If the Property is in England and Wales, no person other than a party to the Mortgage, or a person to whom we transfer any of our rights under Condition 24, may enforce any rights under these Mortgage Conditions or under any other agreement made in connection with your Mortgage by virtue of the Contracts (Rights of Third Parties) Act 1999.

27 Not enforcing our agreement with you and obtaining our consent

27.1 We may occasionally allow you extra time to perform your obligations under the Mortgage (for example, we may allow you more time to pay what you owe us, or otherwise decide not to strictly enforce our rights under our agreement with you). If we do this, it will just be a temporary measure and may still enforce our rights strictly again at a later date.

27.2 Where you require our consent or approval under these Mortgage Conditions to do something, we will not unreasonably withhold or delay that consent or approval. Examples of situations in which it is reasonable for us to refuse to give our consent or approval include where we reasonably think:

- (a) this may make it less likely that you will repay some or all of the Amount You Owe; or
- (b) it may adversely affect our security or the value of the Property.

28 If we fail to perform our agreement with you

28.1 If we fail to perform our agreement with you:

- (a) as you are a personal customer, we will not be liable for any business losses or costs you suffer; and
- (b) we will not be liable for any losses or costs you suffer as a result of such failure and we shall not be in breach of our agreement with you relating to the Mortgage, if we can prove that such failure was caused by:

- (i) abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all our efforts to the contrary; or
- (ii) our compliance with Regulatory Requirements.

28.2 Nothing in our agreement with you limits or excludes either our liability for own fraud or the fraud of any of our delegates or your liability for your own fraud. We do not exclude or limit our liability for death or personal injury which is our fault.

LAW AND JURISDICTION

29 Law applying to our agreement with you

If the Property is in England and Wales, English law will decide any legal questions about our Mortgage with you, including any questions relating to these Mortgage Conditions, and about our dealings with you. The courts of England and Wales will also be able to deal with any legal questions connected with our agreement with you. If the Property is in Scotland, Scottish law will decide any legal questions about our Mortgage with you, including any questions relating to these Mortgage Conditions, and about our dealings with you. The courts of Scotland will also be able to deal with any legal questions connected with our agreement with you.

C. ADDITIONAL INFORMATION YOU SHOULD KNOW

30 What to do if you are not satisfied with our service

If you feel that we have not provided the standard of service you expect, or if we make a mistake, please let us know. If you have a complaint, we aim to deal with it as quickly as possible and to your satisfaction. The easiest way to raise your complaint with is simply to come into one of our stores or to give us a call on **0345 08 08 500** (or **+44 20 3402 8312** from overseas). Or, if you would prefer to write to us, please address your letter to:

Craig Donaldson
Chief Executive
Metro Bank PLC
One Southampton Row
London WC1B 5HA

We will do our best to sort out your complaint immediately. If this is not possible, we will acknowledge your complaint within five banking days of receiving it. We aim to have more complex issues resolved within 15 calendar days. If we think it's going to take longer, we'll tell you and let you know if your complaint is eligible for referral to the Financial Ombudsman Service at that stage. We aim to have a full response for such cases within 35 calendar days.

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If you are not satisfied with the way we deal with your complaint, you may, if you are an eligible complainant, refer your complaint to the Financial Ombudsman Service, which provides a free, independent complaint resolution service. They will then contact us on your behalf. Although there are time limits for referring your complaint to the Ombudsman, we will consent to the Ombudsman considering it even if you refer the complaint outside the time limits. The Financial Ombudsman Service will only consider your complaint once you have tried to sort it out with us, so please raise your concerns with us first. You can contact the Financial Ombudsman Service by writing to them at:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Or, you can call them on **0800 023 4567**, or **0300 123 9123**. Next generation text relay: **(18002) 020 7964 1000**.

Details about their service can be found on their website at **HYPERLINK "<http://www.financial-ombudsman.org.uk>"** **www.financial-ombudsman.org.uk**

If you do refer your complaint to the Financial Ombudsman Service, this will not affect your right to take legal action. You can ask us for a full copy of our complaints procedure leaflet at your local store.

31 How we are regulated

We accept deposits, lend money and offer other banking and financial services to our customers. For these services:

- in relation to our acceptance of deposits, regulated mortgage lending and provision of investment and insurance services, we are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.
- in relation to our consumer credit business, we are authorised and regulated by the Financial Conduct Authority.
- Buy to Let mortgages are not regulated.

A full description of the banking, mortgage and investment activities for which we have permission can be found on the Financial Services Register at www.fca.org.uk/register. Our Financial Services Register number is 488982. To find out more about us, please see the Financial Services Register or call the FCA on **0800 111 6768** (freephone) or **0300 500 8082** from the UK, or **(+44) 20 7066 1000** from abroad.

In respect of our consumer credit activities, our Financial Services Register number is 488982.

32 Important information about compensation arrangements.

We are covered by the Financial Services Compensation Scheme ('FSCS'). The FSCS can pay compensation to borrowers if a bank is unable to meet its financial obligations where you have a claim which relates to the way in which we arranged your Mortgage. Most borrowers - including most individuals and small businesses - are covered by the scheme.

In respect of mortgage arrangements, an eligible borrower is entitled to claim up to £50,000.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local store, refer to the FSCS website [FSCS.org.uk](https://www.fscs.org.uk) or call **020 7892 7300**.

33 Our company details and VAT number

Our company details are:

- we are a public limited company registered in England and Wales under company number 6419578.
- our head office and our registered office is at:
**One Southampton Row
London, WC1B 5HA**

To find out more about our company, please see the website of the Registrar of Companies at [companieshouse.co.uk](https://www.companieshouse.co.uk) or call the Registrar on **0303 1234 500**.

- Our VAT number is 986 3042
- 'Metrobank' is a registered trademark of Metro Bank PLC and all rights in and to the name 'Metrobank' belong to and shall vest in Metro Bank PLC. You may not use or reproduce the Metrobank trademark or logo.

34 How to contact us

- **Mortgage Team:** please write to us at:

**Mortgage Admin Team,
Harman House,
1 George Street,
Uxbridge, London, UB8 1QQ**

or call us on **0345 08 08 500**.

We may monitor and record phone calls.

- **General:** please write to us at:

**Metro Bank PLC,
One Southampton Row,
London, WC1B 5HA**

or call us on **0345 08 08 500** or notify us through our online banking service. We may monitor and record phone calls.

- **To tell us of a change of name or address please visit one of our stores or write to us at:**

**Metro Bank PLC ,
One Southampton Row,
London, WC1B 5HA**

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35 The language we will use to communicate with you

- We will correspond and communicate with you in English.

36 Other important information

- For more information visit us at: **metrobankonline.co.uk** or go to any one of our stores.
- We will keep a copy of our Mortgage Conditions which will be provided, or made available, to you on request.

YOUR HOME MAY BE REPOSSESSED
IF YOU DO NOT KEEP UP REPAYMENTS
ON YOUR MORTGAGE

OPEN EARLY OPEN LATE

Monday – Friday | 8:00am - 8:00pm

Saturday | 8:00am - 6:00pm

Sunday | 11:00am - 5:00pm

Speak to a local person 24/7

0345 08 08 500

[metrobankonline.co.uk](https://www.metrobankonline.co.uk)

 [@MetroBank_Help](https://twitter.com/MetroBank_Help)



In store



Online



Mobile



Phone



Twitter



Instagram

METRO BANK