



LLOYDS BANK SIMPLIFIES SMALL BUSINESS OVERDRAFTS

- **New, simplified pricing structure to support small businesses**
- **Removal of up front arrangement fees for customers with overdraft limits of £5,000 or less**

Lloyds Bank has simplified its approach to overdrafts for small business customers. The new approach is designed to give business customers greater control of their business finances.

For customers borrowing £5,000 or less, the new business overdraft will follow a 'pay as you go' model, with a £10 monthly usage fee payable only if the overdraft is used within the calendar month. Lloyds Bank is the first major provider to offer this approach, which is designed to support business with a range of needs and will be particularly helpful for business customers who need an overdraft for occasional use or short term use to cover unexpected costs.

Simplified pricing tiers will also be introduced for those borrowing between £5,000 and £25,000, and for those borrowing more than £25,000 as follows.

Borrowing limit	Rate	Fee
Up to £5,000	9.75% above Bank of England base rate	Usage fee (£10 p/m)
£5,001 - £25,000	9.75% above Bank of England base rate	Annual fee (1.75%)
£25,000+	Price on application	Annual fee (price on application)

The new business overdraft will be available to Lloyds Bank and Bank of Scotland's small business customers in branch, over the phone and online from 11 December 2017. Existing customers will be moved across to the new product in 2018.

Jo Harris, Managing Director for Lloyds Bank Business Banking, said: *"This new approach to business overdrafts is simple and clear, giving customers more control of their overdraft borrowing and their business finances. The three pricing tiers reflect the different borrowing needs of businesses and have been developed in response to the ways that our customers have told us they use a business overdraft."*

Support for customers

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LLOYDS BANK

Lloyds Bank and Bank of Scotland will write to existing customers to clearly set out the changes at least two months before they move to the new business overdraft. The letter will provide support material to help customers understand the changes and offer additional guidance to help customers through the transition.

-ENDS-

Notes to Editors

Overdraft pricing examples for customers borrowing £5,000 or less

Example	Current Overdraft			New Business Overdraft		
	Fees	Interest	Total	Fees	Interest	Total
<ul style="list-style-type: none">Customer sets up overdraft facility of £5,000 for 12 monthsCustomer does not go overdrawn during the 12m period	£100 Arrangement Fee	£0	£100	£0	£0	£0
<ul style="list-style-type: none">Customer sets up an overdraft facility of £5,000During the first 12 months customer is overdrawn by £2,500 for 90 days over a three month period	£100 Arrangement Fee	£65.10	£165.10	£30 (3 x £10 monthly usage fee)	£63.18	£93.18

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