



Halifax confirms move to daily overdraft charging structure

As previously announced in December 2008, Halifax confirms that it will be moving all full facilities current account customers to its new daily overdraft charging structure which is already in place on Halifax's Reward Current Account.

The Reward Current Account features a simple daily overdraft charging structure based on the customer's use of the overdraft:

- Customers using an arranged overdraft of up to and including £2,500 are charged £1 a day for each day they use their overdraft.
- Customers using an arranged overdraft of over £2,500 are charged £2 a day for each day they use their overdraft.
- Customer using an unarranged overdraft are charged £5 a day

At the launch of the Reward Current Account, February 2009 (announced December 2008) , Halifax confirmed that it intended to transfer all current account customers to a daily overdraft charging structure in 2009.

Customers will be notified of the changes throughout October 2009 and these will take effect from December 2009. In the interim, customers' overdraft charging structure will stay the same in-line with their current terms and conditions.

Currently, Halifax full facilities current accounts feature a monthly unarranged overdraft fee of £28, with paid and unpaid item fees at £35 (subject to a maximum of three per day). The new daily overdraft charging structure will eliminate these as well as any overdraft interest payable.

The Halifax Cardcash, Easycash and Student Current Account will remain the same and will not change to a new daily overdraft charging structure. Cardcash and Easycash customers are typically 'social' banking customers and these accounts historically have not offered any overdraft facility. The student current account offers a generous interest free overdraft and this will continue.

Mike Regnier, director of current accounts for Halifax, comments:

"We have opened over 500,000 Reward Current Accounts since its launch in February 2009. Customers find the daily overdraft charging structure clear and easy to understand. We believe the introduction of this charging structure is the right thing for our current account customers."

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What the accounts will look like:

Account	Currently	From December 2009
Reward Current Account	<ul style="list-style-type: none"> £5 reward payment for customers who fund with £1,000 or more regardless of account balance Simple daily overdraft charging structure. £1 a day for arranged overdrafts up to £2,500. £2 a day for arranged overdrafts of over £2,500. £5 a day for unarranged overdrafts 	Features unchanged (£1,000 funding requirement applies)
Ultimate Reward Current Account (Packaged Current Account)	<ul style="list-style-type: none"> 2.5% in credit interest on balances up-to a maximum balance of £2,500. 0.1% in-credit interest on amounts over £2,500. Monthly package fee of £12.50 A range of benefits including free travel insurance and free RAC breakdown cover £300 interest free overdraft Arranged overdraft 19.5% EAR for amounts over £300 Unarranged overdraft 28.8% EAR Monthly unarranged overdraft fee £28 Paid item fee £35 (max three per day) Unpaid item fee £35 (max three per day) 	<ul style="list-style-type: none"> Accounts funded with £1,000 a month will receive a £5 reward payment Monthly package fee of £12.50 (unchanged) A range of benefits including free travel insurance and free RAC breakdown cover (unchanged) £300 fee free overdraft (unchanged) Simple daily overdraft charging structure. £1 a day for arranged overdrafts between £300 and up to and including £2,500. £2 a day for arranged overdrafts of over £2,500. £5 a day for unarranged overdrafts
Current Account	Currently unavailable to new customers	<p>New Free In-Credit Current Account</p> <ul style="list-style-type: none"> New simple daily overdraft charging structure. £1 a day for arranged overdrafts up to and including £2,500. £2 a day for arranged overdrafts of over £2,500. £5 a day for unarranged overdrafts
Student Current Account	<ul style="list-style-type: none"> 0.1% in-credit interest Up to £3,000 interest free overdraft 7.2% EAR for arranged overdrafts in excess of interest free overdraft 	Unchanged

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	<ul style="list-style-type: none"> • Unarranged overdraft 24.2% EAR • Monthly unarranged overdraft fee £28 per month • Paid item fee £20 (max one per day) • Unpaid item fee £20 (max one per day) 	
Easy Cash (basic bank account)	<ul style="list-style-type: none"> • Free in-credit banking • £15 unpaid item fee (max one per day) 	Unchanged

Editors' notes:

The new daily overdraft charging structure will apply to all new and old full facilities current accounts. As a result of these changes all debit and credit interest features will be removed. These changes do not apply to the Student Current Account, Easycash and Cardcash customers.

The changes outlined above will take effect from 6th December 2009. These changes apply to both Halifax and Bank of Scotland accounts.