CASH IN TRANSIT SERVICE

Terms and Conditions

September 2013
Introduction:

These Terms and Conditions ("Conditions") are intended to be read in conjunction with Customers’ Application Forms and, together with each such Application Form for a specific Customer, form a legally binding contract between that Customer and the Bank in relation to the Service provided for that Customer.

These Conditions operate in addition and are without prejudice to the terms and conditions and mandates applicable to accounts held with the Bank by any Customer receiving the Service.

1. Definitions and Interpretation

1.1 Definitions

The following definitions shall apply in these Conditions:

Account means any Business Banking or Corporate Banking bank account held with the Bank that the Customer has selected from time to time and notified to the Bank to be credited with amounts from Lodgements in relation to the Service;

Accredited Supplier means any of the third party security carriers that the Bank has deemed as acceptable to carry out the collection and transportation of Cash and/or Cheques between Locations and Cash Centres in accordance with the Service;

Application Form means the application form the Customer has completed, signed and submitted to the Bank confirming its wish to receive the Service;

Bank means Lloyds Bank, having its registered and head office at 25 Gresham Street, London, EC2V 7HN. Company Number 2065, and its successors and assigns. The Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Bank Giro Credit means a bank giro credit slip pre printed with Customer’s account details which meet APACS standards;

Business Day means any day that is not a Saturday or Sunday or a bank holiday in the territory in which the relevant Service are to be performed;

Cash means sterling banknotes and/or coins;

Cash Centre means any of the Bank’s cash and cheque processing centres in England and Scotland;

Cash in Transit Service is the service provided by the Bank, in conjunction with its Accredited Suppliers, to enable Customers’ Cash and cheque deposits to be collected directly from their chosen locations for delivery to the Bank’s cash and cheque processing centres for lodgement to Customers’ chosen accounts held with the Bank;

Cheques means any cheque denominated in sterling and drawn on a UK clearing bank;

Conditions means these conditions of use as may be modified by the Bank from time to time;

Customer means the company, firm, limited liability partnership, unincorporated association or body (including, without limitation, a partnership or trust), which is already a Business Banking or Corporate Banking customer of the Bank, specified on the Application Form, and to whom the Service is provided by the Bank in accordance with such Application Form and Customers means all customers of the Bank receiving the Services;

Discrepancy shall have the meaning given to it in Clause 2.5.1;

Locations means the Customer locations in Scotland, England and Wales that have been advised to the Bank and Accredited Supplier as being those at which the Customer wishes to receive the Service from time to time;

Lodgements means any quantities of Cash or Cheques that are to be submitted for lodgement to an Account in accordance with the Service;

Service means the elements of the Cash in Transit Service that are provided by the Bank, more specifically set out in Clause 2;

1.2 Interpretation:

In these Conditions (unless the context otherwise requires):

a. a reference to a condition shall be to one of these Conditions;

b. a reference to a clause shall be to a Clause of these Conditions;

c. words denoting the singular number shall include the plural and vice versa;

and

d. headings are used for ease of reference only and do not form part of the construction or interpretation of these Conditions.

2. Conditions Relating to the Service

2.1 Description of the Service

2.1.1 Where a Customer has, from time to time, requested that the Accredited Supplier collect Lodgements from any Location, and deliver the Lodgements to a Cash Centre, in accordance with their agreement, as referred to in Clause 2.2.2, the Bank agrees to process the Lodgements on receipt in accordance with the Conditions, applying funds to the appropriate Accounts.

2.1.2 By correctly completing a Bank Giro Credit to accompany a Lodgement that is delivered to the Bank, the Customer requests and authorises the Bank to act upon the instructions contained therein and irrevocably authorises the Bank to credit the relevant Account with sums to be lodged in respect of the Lodgement.

2.2 Accredited Suppliers

2.2.1 The Customer acknowledges that the collection of Lodgements from Locations and the transportation of Lodgements from Locations to Cash Centres will not be undertaken by the Bank and do not form part of the Service.

2.2.2 The Customer acknowledges that it must enter into a separate contract with an Accredited Supplier in relation to the collection and transportation of Lodgements in order for the Bank to be able to provide the Service.

2.2.3 The Bank will have no liability to the Customer or to any third party in respect of any loss, damage or claim howsoever arising in respect of the collection and transportation of Lodgements, or otherwise arising in relation to the Customer’s separate contract with the Accredited Supplier, including, without limitation, any loss, damage or claim that results from the negligence, delay or omission of the Accredited Supplier.

2.3 Requirements for Lodgements

2.3.1 Lodgements to be delivered to the Bank can be made up of Cash and/or Cheques and must be prepared by the Customer prior to collection of the Lodgements by the Accredited Supplier.

2.3.2 If the Customer requires that Cheques be treated as having full face value, whether in connection with a specific Cheque Lodgement or generally, they must intimate their request to the Accredited Supplier and acknowledge that such Lodgements shall be subject to such additional terms and conditions as the Accredited Supplier may specify.

2.3.3 The Customer agrees and acknowledges:

a. that it will prepare Cash and/or Cheques for lodgement in accordance with (i) these Conditions and the guidance documentation provided to it by the Bank prior to commencement of the Services, in accordance with Clause 3.2, as may be amended from time to time, (ii) any additional provisions laid down by the Accredited Supplier and (iii) with all due care, skill and attention;

b. that, subject to Clause 2.5, any failure on its part to correctly prepare Lodgements in accordance with these Conditions may result in the Bank being unable to process the Lodgements within the timescales set out below or at all;

c. that it is its responsibility to ensure that the Cheque is Giro credit slips included with any Lodgements are undamaged and completed correctly and accurately in black ink, particularly in relation to the name and number of the Account to be credited;

d. that, subject to Clause 2.5 below, it is its responsibility to advise the Bank of any credit that was expected to be lodged in the Account but has not been received within one calendar month;

e. that it will maintain a full audit trail of all Cheques that are submitted for lodgement in respect of the Service and, in particular, will keep proper records in respect of each Cheque submitted for lodgement, including details of the name and the customer account number of the drawer, the cheque number and the sorting code number of the bank on which
the Cheque is drawn and that it will retain these records for a minimum of six months after the time at which the Cheque is submitted for lodgement;

v. that, in the event of any Cheque being lost in transit or cleaning, it is its responsibility to obtain a duplicate copy;

vi. that it is its responsibility to check for counterfeit banknotes to be submitted as Cash within any Lodgement; and

vii. for the avoidance of doubt, separate Bank Giro Credits must be used for Cash Lodgements and Cheque Lodgements.

2.5 Discrepancies, Incorrect Processing and Counterfeit Cash

2.5.1 Where there is a discrepancy between the value of Cash and/or Cheques submitted for lodgement that appears on any Bank Giro Credit completed by the Customer and the value of Cash and/or Cheques actually received by the Bank (a "Discrepancy"), the Bank will notify the Customer of the Discrepancy and take appropriate action in accordance with the provisions of Clauses 2.5.2 and 2.5.3, below.

2.5.2 Cash

i. Where a Discrepancy in the value of Cash received is highlighted by the Bank the Bank will process the Bank Giro Credit for the value declared by the Customer and a separate non-chargeable entry will be processed for the Discrepancy. The Bank shall notify the Customer by telephone and a confirmation letter which will incorporate an image of the relevant Bank Giro Credit will be forwarded to the Customer by first class mail.

ii. The Bank shall make its notification of any Cash Discrepancy to the Customer in accordance with this Clause 2.5.2, on the Business Day on which the discrepant Lodgement has been delivered to the Cash Centre, provided that the Lodgement has been received prior to times advised to the Customer by the Bank in accordance with Clause 2.4.

2.5.3 Cheques

i. Where there is a Discrepancy in the value of Cheques received by the Bank, the Bank shall, adjust the Bank Giro Credit on the same day that your Cheques are processed to reflect the actual value and, send notification to the Customer by first class mail with an image of the relevant Bank Giro Credit and the Cheques involved.

2.5.4 Liability for Discrepant Lodgements or Incorrectly Processed Lodgements

i. Where the Customer believes that there has been a Discrepancy in the value of any Cash or Cheques lodged to the Account, which has not been highlighted or notified by the Bank, or believes that a Lodgement has otherwise been incorrectly processed, it must notify the Bank without undue delay and, in any event, no more than 13 months after the date on which funds relating to the Lodgement were delivered to the Bank, on becoming aware of such a possible Discrepancy or instance of incorrect processing.

ii. In any event where there has been a Discrepancy in the value of Cash lodged to the Account, whether highlighted by the Bank or the Customer, or where the Customer has otherwise indicated that it believes that a Lodgement has otherwise been incorrectly processed, the Bank undertakes, subject to it making any investigations as may be reasonable or necessary (or procuring that the Accredited Supplier makes such investigation) and subject to Clauses 2.5.4 (iv) to 2.5.4 (viii) below shall reimburse the Customer with the amount of the Discrepancy or incorrectly processed Lodgement (provided that such Discrepancy or incorrectly processed Lodgement has resulted in the Customer outstanding funds).

iii. Without prejudice to the rest of this Clause 25, where there has been a Discrepancy in the value of Cash lodged to the Account, whether highlighted by the Bank or the Customer, or where the Customer has otherwise indicated that it believes that a Lodgement has otherwise been incorrectly processed, the Bank shall make, or shall procure that the Accredited Supplier shall make, immediate efforts to investigate the circumstances and shall inform the Customer of the outcome of these efforts by telephone.

iv. For the avoidance of doubt, any payment that the Bank may be required to make to the Customer in accordance with Clause 2.5.4 (i) shall be made without prejudice to any right or remedy that the Bank or the Customer may have to recover such amounts from the Accredited Supplier.

v. The Bank shall have no liability to the Customer in accordance with Clause 2.5.4 if it can prove following any reasonable and necessary investigation that the Lodgement under investigation had not been incorrectly processed or was not discrepant.

vi. Provided that the Customer, or any of its employees or agents, have not acted fraudulently and subject to Clauses 2.5.4 (vii) and 2.5.4 (viii), the Customer will not be liable for any losses arising after the date on which it has notified the Bank of any incorrectly processed or discrepant Lodgement.

vii. Subject to Clause 2.5.4 (iii), where any incorrectly processed or discrepant Lodgement results from a failure by the Customer, or any of its employees or agents, to keep any personalised security features applicable to its receipt of the Service, safe,
it shall be liable for losses arising in respect of that incorrectly processed or discrepant Lodgement up to a maximum of £50.

For the avoidance of doubt, the Bank shall have no liability to the Customer in respect of any incorrectly processed or discrepant Lodgement due to an error on the part of the Customer, including where this has arisen due to a failure to comply with these Conditions or where any of its employees or agents or third party contractors (including the Accredited Supplier), has failed to comply with these Conditions, either deliberately or with gross negligence. In such circumstances, the Customer shall indemnify the Bank in respect of any loss, costs, claims, charges or expenses which it may have incurred or that may have been raised against it as a result of processing any incorrectly processed or discrepant Lodgement.

For the avoidance of doubt, in the event of any discrepancy between the provisions of this Clause 2.5 and the terms of the Account, the terms of the Account shall prevail.

2.5.5 Counterfeit Cash
On any occasion when counterfeit Cash is discovered the Bank will process the Bank Giro Credit for the value declared by the Customer and a separate non-chargeable entry will be processed for the counterfeit Cash. The counterfeit Cash will be passed on to the relevant authorities by the Bank. The Customer will be notified by letter of any counterfeit Cash discovered by the Bank, but only to the extent that the Bank is legally permitted to do so.

2.6 Changes in Position
The Customer must notify the Bank (through its Relationship Manager) in writing, immediately on the occurrence of any of the following events or circumstances:

i. If the anticipated annual cash volumes or the relative split between coins and notes, as advised in its Application Form, increase or decrease by ten percent (10%) or more;

ii. If there is any change in any contact or any other information or details contained in its Application Form;

iii. In the event that there is any change or amendment in the Customer’s third party contracts with Accredited Suppliers, or if such contracts are terminated or expire under any circumstances.

2.7 Service Fees

2.7.1 Service fees payable in respect of the Service will be deducted from the Customer’s Account monthly in arrears, and otherwise in accordance with the terms of their current account mandate.

2.7.2 The service fees payable in respect of the Service will be subject to variation by the Bank from time to time on the giving of 2 months’ prior written notice. The service fee applicable on commencement of the Service is as specified on the Application Form.

2.7.3 For the avoidance of doubt, the service fees referred to in this Clause 2.7 do not relate to the elements of the Cash in Transit Services that are provided by the Accredited Supplier. Service fees in relation to those elements of Service will be agreed separately between the Customer and the Accredited Supplier.

2.8 Refusal to Provide Service

2.8.1 The Bank can refuse to provide the Service if it reasonably thinks that:

i. The relationship between the Customer and the Bank has irretrievably broken down (for example, the Customer or its staff have been threatening or abusive to Bank staff);

ii. There is a dispute (which the Bank reasonably believes to be genuine) about the ownership or entitlement to the money in the Account;

iii. The payment seems unusual compared with the way the Customer normally uses its Account or the Service;

iv. There are technical issues which prevent the Bank from executing the transaction;

v. Circumstances beyond the Bank’s reasonable control prevent it from offering a normal service (such as computer failure or industrial action).

2.8.2 The Bank and/or any member of the Lloyds Banking Group may be subject to sanctions and/or embargos imposed by the international community including the UK, EU, UN and the USA. The Bank may not accept instructions and may refuse to make any payment or take any action pursuant to this Service if it would result, or in the Bank’s reasonable opinion is likely to result, in a breach by it or any member of the Lloyds Banking Group or any of their respective employees of any sanction or embargo whether or not imposed in the UK and the Bank will not be liable for any loss, damage, cost or expense by reason aforesaid. The Bank shall be permitted to disclose to the relevant authorities any information in relation to any instruction and/or payment as may be required.

2.8.3 Provided it would not be unlawful for the Bank to tell the Customer why it has refused to provide the Service, the Bank will notify the Customer, either verbally or in writing when it has done this, within the designated maximum execution times for Lodgements to be processed set out in these Conditions.

2.8.4 The Customer can also contact the Bank to find out (unless the law prevents the Bank from telling the Customer) why it has refused to act and how the Customer can correct any factual errors that led to such refusal.

3. General Conditions

3.1 Term
The Bank shall commence performance of the Services on the later of:

i. The date upon which all of the conditions specified in Clause 3.3.1 have been met to the satisfaction of the Bank; and

ii. Such other date as the parties agree and shall continue on an open-ended basis until terminated in accordance with Clauses 3.4 and 3.5.

3.2 Conditions Precedent

3.2.1 Before the Bank will provide the Services to the Customer it must first have received:

i. Confirmation that the Customer has entered into a separate contract with an Accredited Supplier relating to the Services it wishes to receive;

ii. Confirmation from the Customer that such contract has become fully operative in all respects; and

iii. Any further information that the Bank reasonably considers it requires from the Customer or the Accredited Supplier.

3.2.2 The Bank shall be under no obligation to provide the Services unless and until it is satisfied that, in its reasonable opinion, the conditions precedent set out in Clause 3.2.1 have been fulfilled.

3.3 Liability

3.3.1 Subject to Clause 2.5.4 and any terms implied by law or by the rules of any regulatory body which cannot be excluded, and without prejudice to any exclusions of liability contained elsewhere in these Conditions, the Bank shall not be liable in contract, tort (including negligence), delict or otherwise in any way.
for the fraud, negligence, acts or omissions of the Customer, or its officers, employees or agents; for loss of profits, business, contracts, anticipated savings, goodwill or revenue or for any indirect or consequential loss, whether or not the Bank was advised in advance of the possibility of such loss or damage; or
by reason of force majeure, including without limitation, industrial disputes, any act or omission by any third party, including without limitation the Accredited Suppliers, or any other act that is outside of the Bank’s control.
3.3.2 Nothing in these Conditions shall limit the Bank’s liability to the Customer for fraud by the Bank or for death or personal injury resulting from its negligence or that of its employees.
3.3.3 The Bank’s maximum aggregate liability to the Customer, whether in contract, tort or delict or howsoever otherwise arising shall be limited to the amount of each actual Lodgement in connection with each performance of the Service, other than in relation to any liability the Bank has to the Customer under Clause 2.5.4.

3.4 Termination
3.4.1 The Bank shall be entitled to terminate the Service on the giving of 2 months’ prior written notice to the Customer.
3.4.2 The Bank shall be entitled to terminate the Services with immediate effect, on giving written notice to the Customer, if any of the following events or circumstances arise:
1. the termination or expiry, for whatever reason, of any separate contract relevant to or affecting the provision of the Services by the Bank between the Customer and Accredited Supplier;
2. the Customer becomes unable to pay its debts (within the meaning of section 123 of the Insolvency Act 1986), admits its inability to pay its debts or becomes insolvent;
3. a petition is presented, an order made or a resolution passed for the liquidation (otherwise than for the purposes of a solvent amalgamation or reconstruction on terms previously approved by the Bank), administration, bankruptcy or dissolution of the Customer;
4. an administrative or other receiver, manager, trustee, liquidator, administrator or similar person or officer is appointed to the Customer and/or over all or any part of the assets of the Customer;
5. the Customer enters into or proposes any composition or arrangement concerning its debts with its creditors (or any class of its creditors) generally;
6. anything analogous to any of the events or circumstances stated in (ii) to (vi) inclusive above occurs in respect of the Customer in any applicable jurisdiction;
7. any distress, execution, attachment, sequestration or similar action is taken, levied or enforced against the Customer or any of its substantial assets or any garnishee order is made and served on the Customer;
8. the Customer misuses any of the Services or otherwise is in contravention or breach of these Conditions;
9. evidence of any fraudulent behaviour on the part of the Customer, or any of its employees, agents or third party contractors; and
10. any other event or circumstance arises that might adversely affect the Customer’s ability to comply with these Conditions.
3.4.2 The Customer may terminate the Service at any time, on the giving of written notice (through its Relationship Manager). If the Customer wishes to terminate the Service for whatever reason it shall be responsible for also ensuring that any contract in place with an Accredited Supplier, in respect of the elements of the Service it provides, has also been duly terminated. The Bank shall not be liable for any loss, damage or claim suffered by any party resulting from the Customer’s failures in this respect.
In the event of a dispute the Customer shall refer the matter to the Relationship Manager for resolution. Both parties shall work in good faith to resolve any dispute as quickly as possible. If the Customer has a complaint about the Service, it should contact the Bank either in writing, by fax or telephone. A copy of the Bank’s complaints procedure is available online at: lloydsbank.com/commercialbanking. If the Customer is not satisfied with the way the Bank deals with its complaint it may be entitled to refer this to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

The Payment Services Regulations apply to this Agreement except that all the provisions contained in those regulations which can be excluded in agreements with large businesses are excluded to the fullest extent possible.

4. Notices

4.1 Any notice, notification or other communication under or in connection with these Conditions shall be in writing and shall be delivered by hand or mail or by email to the relevant party at the relevant address for service which, for the Bank is the address of the Customer’s Relationship Manager, as advised from time to time, and the for the Customer is the address stated on the Application Form.

4.2 Any such notice or other communication shall be deemed to have been received by the party to whom it is addressed, (a) when so delivered, if hand-delivered or (b) within 48 hours of being posted, provided that notice has been sent to the address of the recipient as notified above or otherwise in accordance with this Clause or (c) if sent by email, upon receipt of a confirmation of transmission (subject to such notice or communication also being posted on the same day in the manner specified above).

4.3 If a notice or communication is given or deemed to have been given on a non-Business Day, it shall be deemed to have been served on the next Business Day.

5. Unenforceable Provisions

In the event that any provision of these Conditions is held to be invalid or unenforceable, it will not affect the validity and enforceability of the remaining provisions and will be replaced by such enforceable provision that comes the closest to the intention underlying the unenforceable provision.

6. Law

This Agreement (and all non-contractual obligations arising from or in connection with it) shall be governed by and construed in accordance with English law and the parties submit to the non-exclusive jurisdiction of the courts in England and Wales.
Find out more

- Go to lloydsbank.com
- Visit your local branch

Please contact us if you’d like this information in an alternative format such as Braille, large print or audio.

Important information

We accept calls via Text Relay. Lloyds Bank plc: Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 2065. Telephone: 020 7626 1500. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

We aim to provide the highest level of customer service possible. However, if you experience a problem, we will always seek to resolve this as quickly and efficiently as possible. If something has gone wrong please bring this to the attention of any member of staff. The complaint procedures are also published on our website lloydsbank.com/commercialbanking.