

## Key Features

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# Overdrafts

Important information



# Arranged & Unarranged Overdrafts

This document explains the key features of our Arranged and Unarranged Overdrafts

## What's an 'arranged Overdraft'?

We agree in advance to provide you with an agreed Overdraft facility that allows you to borrow money on your account up to this agreed limit. Your overdraft is expected to fluctuate each month. The details of the arrangement will be included in a facility letter explaining the terms and conditions of your Overdraft.

Arranged Overdraft interest rates are variable and are calculated using the Bank of England bank rate plus the appropriate interest margin. As lending decisions are based on individual circumstances, the rates we offer may vary between customers.

You can check the amount and rate of your agreed Overdraft within your facility letter. The Overdraft facility can also be viewed within your bank statement.

## What's an 'unarranged Overdraft'?

An overdrawn balance on your account which we have not agreed to in advance or a balance that exceeds a limit that we have agreed as an arranged Overdraft facility. This is not a guaranteed arrangement, and we have the right to return items to keep balances within your limits or credit balance.

## Advantages:

- An Overdraft provides a short-term safety net when your organisation's cash-flow needs a little extra support. You pay an annual fee, and interest on what you use.

## Disadvantages:

- Overdrafts can be an expensive way to borrow compared to other borrowing options. All lending, including Overdrafts is subject to our eligibility criteria and availability.

If we allow unarranged borrowing on your account, you'll incur fees such as an unarranged Overdraft letter fee or you may be charged an unpaid item fee as well as interest on the amount used until a credit balance is restored.

We reserve the right to decline any Overdraft application and all facilities once issued are repayable on demand.

Further details can be found within our [General Terms and Conditions](#) and [Standard Service Tarriff](#).

# Key Features

Terminology	Summary Definition
<b>Annual Review fee</b>	This is a fee payable annually for review and renewal of your Overdraft facility. The cost applicable for the annual review fee and renewal will be confirmed in writing. As a regulatory requirement customer facilities with the bank (including Overdrafts) are subject to annual review, which includes assessment of your financial performance.
<b>Arrangement fee</b>	This is an upfront fee dependent upon the amount of your Overdraft. The fee will be agreed with your Relationship Manager and detailed within your Facility Letter.
<b>Eligibility Criteria</b>	<p>Unity will only lend or provide banking services to organisations which deliver positive social or environmental outcomes through their activities and subject to appropriate credit assessments.</p> <p>You must provide a demonstrated need and have a Business Current Account that manages your main transactional banking.</p>
<b>Excess</b>	If you don't have enough money in your account or you have exceeded your arranged Overdraft limit to cover a payment, we may refuse it or if granted you may be charged an excess fee.
<b>Interest Charges</b>	<p>The debit interest rate is variable and is shown in your facility letter. The interest costs accrue daily and will depend on your agreed rate, how much is used by you and for how long.</p> <p>We'll notify you in advance of any changes to the interest rate which will be applied. Fees and debit interest will be pre-notified and taken from your Business Current Account.</p> <p>Arranged overdrafts are available on request and subject to eligibility criteria. To view the latest rate available , please visit our <a href="#">Business Loans</a> page or view our <a href="#">Service Tariff</a>.</p>

Terminology	Summary Definition
<b>Overdraft Facility</b>	An agreed amount subject to a credit assessment.
<b>Repayments</b>	Overdrafts are repayable on demand, which means you must repay any Overdraft when we ask you to. We'll usually give you advance warning that your Overdraft must be repaid or its limit reduced, but we may ask for repayment without notice.
<b>Security</b>	<p>Security may be required as each case is considered on its merits. If security is required, legal fees will be payable, and we will give you an estimate of this at the outset. If the security arrangements include a property or assets that you own please remember that these may be repossessed if you do not keep up repayments on your loan.</p> <p>We may require a personal guarantee for an amount relative to the Overdraft which could be called upon if there was a default against the connected debt.</p> <p>This is an agreement regularly reviewed between the individual providing the personal guarantee and ourselves. If this guarantee includes a property or assets that you own, they may be repossessed if repayments are not kept up to date.</p> <p>Examples of security include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Corporate guarantees</li> <li>• Debentures</li> <li>• Freehold/Leasehold charges</li> <li>• Personal guarantees</li> </ul>
<b>Term</b>	All Overdrafts are on demand facilities between 2-12 months, with a review undertaken at least annually.
<b>Unpaid items out</b>	An unpaid transaction fee is charged for each transaction that we return unpaid if the payment cannot be met from either funds in your account or any unused arranged Overdraft facility.

# Further information

## All Overdrafts are subject to status and Terms and Conditions apply.

Typical information we would require includes, but is not limited to:

- A business plan
- Statement of Assets/Liabilities & Income/Expenditure for each Director
- Financial Accounts for the last three years
- Management Accounts for the financial year to date
- Financial Forecasts
- Last three months business bank statements (for refinance)
- Last three months personal bank statements for each Director
- Latest Valuation Report (if available)
- Sector specific information
- Details of any outstanding HP/Asset Finance/Other Loans
- CVs of key personnel

## Financial difficulties

If you would like more information about managing your finances, please speak to your Relationship Manager or call us on **0345 140 1000\***.

You can also find more information in the Services section of our website – [www.unity.co.uk/debt-counselling](http://www.unity.co.uk/debt-counselling) or by calling Business Debit Line on **0800 197 6026**.

### **Get in touch to find out more about applying for an Overdraft:**

Please call us on **0345 140 1000\***.

## Go Paperless!

You can choose to receive online statements and we'll notify you by email or SMS when they're available. [Contact us](#) to switch to paperless statements.

**Contact us:**  Call us: 0345 140 1000\*  Email us: [us@unity.co.uk](mailto:us@unity.co.uk)  Visit us: [www.unity.co.uk](http://www.unity.co.uk)

\*Our call centre opening hours are 9:00am to 5:00pm, Monday to Friday, excluding bank and public holidays in England or Scotland. Calls are charged at local rate.

## What we ask of you:

That, prior to making an application you double check what information we will need to process an application. If you are unsure or have any questions, please contact us.	Yes <input type="checkbox"/>
That all information you provide to us during our relationship is complete, accurate and timely.	Yes <input type="checkbox"/>
We ask you to think carefully about whether the business can afford the product applied for and to be open in your dealings with us.	Yes <input type="checkbox"/>
To make sure that you understand the terms and conditions associated with your product.	Yes <input type="checkbox"/>
That you seek professional advice, where this is appropriate for the needs of your business and the type of product you are applying for.	Yes <input type="checkbox"/>
That the business maintains any commitments it has to us, for example providing information which we may reasonably request to monitor performance.	Yes <input type="checkbox"/>
Take care of any security information to help prevent fraud and protect your account(s).	Yes <input type="checkbox"/>
Tell us as soon as possible if someone is misusing confidential information.	Yes <input type="checkbox"/>
Carefully check your business' account statements/records to make sure they are accurate. If anything isn't right, please get in touch with us.	Yes <input type="checkbox"/>
<b>Please let us know if</b>	
Your contact details change or there is a change in how your business is run for example, ownership/directorships etc, so we can keep our records up to date;	Yes <input type="checkbox"/>
Your business may be about to experience, or is experiencing difficulties. The sooner you do this, the more likely it is we'll be able to find a way to help you	Yes <input type="checkbox"/>



**You can download our Key Features and important information from: [www.unity.co.uk/business-banking/business-current-account/](http://www.unity.co.uk/business-banking/business-current-account/)**

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