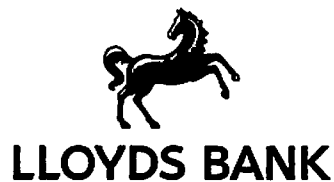


November 2015



Mr C A Taylor
Trustees of Staffordshire Business Systems
Executive Pension Scheme
33-35 Daws Lane
Mill Hill
London
NW7 4SD



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Lloyds Bank
Business Banking
BX1 1LT



Changes to the Financial Services Compensation Scheme limit and withdrawal of payment instructions by fax

Dear Mr Taylor

I wanted to let you know about a change to the Financial Services Compensation Scheme (FSCS) which will take effect from **1 January 2016**.

About the FSCS

The FSCS is the UK's independent compensation fund which gives a level of protection for your business account money if anything happens to your bank, building society or credit union.

The deposit protection limit is set by a European directive for depositor schemes across the European Economic Area (EEA), including the UK. The current UK limit of £85,000 was set in 2010 which was equivalent to €100,000 at that time. As exchange rates have changed since then, the Prudential Regulation Authority (PRA) was required to recalculate the UK's equivalent limit based on the exchange rate on 3 July 2015.

From **1 January 2016** the level of protection is reducing from £85,000 to £75,000. You may receive another letter from us if you have a personal account. If you are not eligible for FSCS protection, we will write to you separately. You can find more about these changes in the enclosed information sheet or by visiting www.fscs.org.uk

What you need to do

If your business has less than £75,000 in total with us, which includes funds held in fixed term deposit account(s), or your business is comfortable with this change, you don't need to do anything. If your business has more than £75,000 in total with us and would prefer to bring the total balance under the new limit, please contact either your Business Management Team on **0345 072 5555** for general advice or, if the funds are held on fixed term deposit accounts, please call **0345 305 5555** as you may be eligible to withdraw up to £10,000 in total from the account(s) to reflect the change in the protection limit. Lines for the Business Management Team are open 7am–8pm Monday to Friday, 9am–2pm Saturday, excluding UK public holidays. The number for fixed term deposits is available Monday to Friday from 8am–5pm.

Continued...

BUSINESS BANKING

We will no longer take payment instructions by fax

As we are already writing to you, we also wanted to update you that from **11 March 2016** we will no longer be able to accept instructions to make a payment by fax. Please contact your Business Management Team who can talk to you about alternative options. The changes to your terms and conditions will take place automatically, so you don't need to do anything. If you would like to change your banking arrangements in any way please let us know and we will be pleased to deal with your requirements.

Yours sincerely



Jane Heighway
Head of Business Banking Customer Services

Our service promise

If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff. Our complaints procedures are published at lloydsbank.com/business/contactus

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

If you have a hearing or speech impairment you can use Text Relay (previously Typetalk) or if you would prefer to use a Textphone, please feel free to call us on 0345 601 6909 (lines open 7am–8pm, Monday–Friday and 9am–2pm Saturday).

lloydsbank.com/business

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Lloyds Bank plc Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 2065. Telephone: 0207 626 1500. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 119278. Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all Business customers will be covered.

BLRBBE (10/15)

Important information about changes to your compensation arrangements

FINANCIAL SERVICES COMPENSATION SCHEME COVERAGE INFORMATION SHEET

On 1 January 2016 the deposit protection limit is changing from £85,000 to £75,000.

If your bank, building society or credit union fails, the Financial Services Compensation Scheme (FSCS) protects your eligible deposits up to the deposit protection limit (currently £85,000 for most depositors).¹

If you have eligible deposits of more than £75,000, you are unlikely to be fully protected after 1 January 2016 so you may need to take action if you wish to remain fully covered by the FSCS.

From 1 January 2016, your eligible deposits with Lloyds Bank plc will be protected up to a total of £75,000 by the FSCS. The limit is applied to the total of your eligible deposits held with the following:

Lloyds Bank; Lloyds Bank Private Banking; C&G Savings; WorldWide Service.

IF YOU HAVE MORE THAN £75,000 WITH Lloyds Bank plc, which includes Lloyds Bank, Lloyds Bank Private Banking, C&G Savings and WorldWide Service, the cover you enjoy will reduce by up to £10,000. If you decide to take action to reduce your combined balance you can do this on most accounts by withdrawing money in the normal way. Some of our accounts, such as fixed term products, have withdrawal restrictions, but please do contact us if you would like to discuss your options in relation to these products.

PLEASE CONTACT US IN YOUR USUAL WAY, BY VISITING ONE OF OUR BRANCHES, BY PHONE OR GO ONLINE FOR FURTHER INFORMATION ON KEEPING YOUR MONEY PROTECTED.

If you have total eligible deposits of less than £75,000 with Lloyds Bank plc, then you will not be affected by the limit change.

Further information regarding the protection provided by FSCS is set out below.

General limit of protection

Your eligible deposits held at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance, you hold eligible deposits in a savings account with £70,000 and a current account with £20,000, you will only be repaid £75,000 (or £85,000 for most depositors until 31 December 2015).

From 3 July 2015 until 31 December 2015:

The FSCS protects most depositors, including individuals and small companies, up to £85,000 until 31 December 2015.

Eligible deposits of large companies² and small local authorities³ are eligible for FSCS protection from 3 July 2015 onwards. The £75,000 deposit protection limit will apply from 3 July 2015 since these deposits have not previously been protected.

From 1 January 2016:

From 1 January 2016, the FSCS will protect most eligible deposits up to a total of £75,000. Any deposits you hold above the limit are unlikely to be covered.

Depositors with aggregate deposit balances over £75,000

Further information will be provided to depositors on how these changes will affect depositors with aggregate balances over £75,000. Please contact us by visiting one of our branches, by phone, go online or the FSCS (details overleaf) for further information.

Temporary high balances

In some cases, an eligible deposit which is categorised as a "temporary high balance" (for example, as a result of a house sale, inheritance, or insurance payment) may be protected to a higher limit for six months after the amount has been credited to your account or from the moment when such eligible deposits become legally transferable. This applies from 3 July 2015. See the FSCS website for full details.

Exclusions from protection

A deposit is excluded from protection if:

- (1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, building society or credit union.
- (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.
- (3) It is a deposit made by a depositor which is one of the following:
 - credit institution
 - financial institution
 - investment firm
 - insurance undertaking
 - reinsurance undertaking
 - collective investment undertaking
 - pension or retirement fund⁴
 - public authority, other than a small local authority.

The following deposits, categories of deposits or other instruments are no longer protected from 3 July 2015:

- deposits of a credit union to which the credit union itself is entitled
- deposits which can only be proven by a financial instrument⁵ unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014
- deposits of a collective investment scheme which qualifies as a small company⁶
- deposits of an overseas financial services institution which qualifies as a small company⁷
- deposits of certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which qualify as a small business or a small company⁸ – refer to the FSCS for further information on this category.

Reimbursement

The FSCS aims to repay your eligible deposits (up to the compensation limit) within 7 days, and is required to do so within 20 working days (with some exceptions).

Contact

If you have any questions regarding the change in the compensation limit, please contact the Financial Services Compensation Scheme (FSCS) at:

Address:

FSCS,
10th Floor Beaufort House,
15 St Botolph Street,
London,
EC3A 7QU

Tel: 0800 678 1100

Email: ICT@fscs.org.uk

Web: <http://www.fscs.org.uk>

¹ Exceptions for certain deposits are stated below and on the FSCS's website: <http://www.fscs.org.uk>.

² Large company means a body corporate which does not qualify as a small company under section 382 of the Companies Act 2006

³ Small local authority means a local authority with an annual budget of up to EUR 500,000

⁴ Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

⁵ Listed in Section C of Annex 1 of Directive 2014/65/EU

⁶ Under the Companies Act 1985 or Companies Act 2006

⁷ See footnote above

⁸ See footnote above