

DM21673/12/00012180
Mr P Lisewski
Cloudsoft Limited
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London
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683410

25th September 2009

Dear Mr Lisewski

Important changes to your payments

We know how important it is to receive clear, straightforward information when you're making a business payment.

That's why we recognise the advantages of the Payment Services Directive – the new EU initiative to harmonise payment services laws across the European Economic Area (EEA) for domestic and cross-border payments in sterling, Euros and other EEA currencies – and the new Banking Conduct of Business rules (BCOBS) which will also apply in the UK from 1 November 2009.

The Payment Services Directive is being implemented in the UK by the Payment Services Regulations 2009 (PSRs).

Greater clarity and consistency for your payments

From 1 November 2009, the PSRs aim to provide you with:

- ▶ all the information you need when making a payment, including rates and charges; and
- ▶ a consistent level of service, including payments completed within maximum timeframes.

You may not notice significant changes in how your payments are handled by us, because in most instances HSBC already meets or exceeds the standards set down by the PSRs.

Changes to terms and conditions

This letter gives you notice of the changes we (HSBC Bank plc) are making with effect from 1 November 2009 to our Business Banking Terms and Conditions as well as to the terms and conditions which apply to all business savings accounts, Currency Client Accounts, Clients Deposit Accounts, Business Internet Banking, Business Telephone Banking, Business Debit Cards and Self Service Cards. The updated terms and conditions which apply to you are enclosed.

The main changes (including those which reflect the requirements of the PSRs and BCOBS) are described before each set of terms and conditions.

Where it applies to you, we will write to you separately to give you notice of changes to the terms and conditions for other accounts and services we provide to you.

As we will not be providing payment services on business savings accounts from 1 November 2009, we are restricting the ways in which deposits and withdrawals can be made to those set out in the terms and conditions for the relevant business savings accounts. Depending on your price list, you may continue to incur transaction charges on your business current account from 1 November 2009 for internal transfers you make to move funds across from your business savings account to your business current account.

Continued overleaf...

▶ Find out more

▶ Click hsbc.co.uk/psd

HSBC Bank plc

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New PSR categorisations for businesses

The PSRs introduce 3 new categorisations for businesses: micro-enterprise, small charity and corporate business (i.e. a business which is not a micro-enterprise or a small charity).

For 1 November 2009, we have categorised your business as follows:

- ▶ as a micro-enterprise if our records show that the annual turnover of your business (or, if our records show that you are a member of a group, the annual turnover of your group according to our records) is less than £2 million; or
- ▶ as a small charity if our records show that you are a UK charity whose annual income is less than £1 million.

Please tell us if the annual turnover of your business is £2 million or more and if you are a charity, if your annual income is £1 million or more. Our contact details are set out on page 2 of the enclosed Business Banking Terms and Conditions.

Changes to your categorisation

If you have a Relationship Manager, we will update our records of your annual turnover and/or annual income at each annual review.

You must also tell us if at any other time, the annual turnover of your business is £2 million or more and if you are a charity, your annual income is £1 million or more. Our contact details are set out on page 2 of the enclosed Business Banking Terms and Conditions.


If we are told that the annual turnover of your business is £2 million or more and/or that the annual income of your charity is £1 million or more, we will review your categorisation and, where appropriate, re-categorise your business as a corporate business.

Please note that some of the updated terms and conditions for corporate businesses are different to those applying to micro-enterprises and small charities.

Understanding the Payment Services Directive and its benefits

You can find additional information in the updated terms and conditions enclosed – and if you want to find out more, you can also take a look at our website – www.hsbc.co.uk/psd

Yours sincerely,



Huw Morgan
Head of Business Banking