

## E-Channels Country Conditions – UK (Micro-enterprise)

### 1. INTRODUCTION

- 1.1 You, the Customer, have agreed with us, the Bank, terms and conditions relating to certain electronic banking services by signing or adhering to one or more of the following customer agreements (the 'Terms and Conditions'):
- (a) Hexagon;
  - (b) HSBCnet;
  - (c) HSBC Connect;
  - (d) E-Channels Master Customer Agreement with one or more schedules; and/or
  - (e) customer agreement(s) similar to one or more of the above.
- 1.2 These UK Country Conditions supplement the Terms and Conditions and govern the relationship between the Customer and the Bank in relation to the account/s in the United Kingdom. However, these UK Country Conditions only apply to those parts of the payment service carried out within the European Economic Area (the 'EEA') in the following circumstances:
- (a) where one of the payment services providers of either the payer and the payee is located outside the EEA; or
  - (b) the payment services are carried out in a currency other than in euro or a currency of an EEA State that has not adopted the euro as its currency.
- 1.3 In the event of any conflict between the Terms and Conditions and the UK Country Conditions, these UK Country Conditions shall prevail.
- 1.4 Capitalised expressions used in these UK Country Conditions unless defined herein shall have the meanings given to such expressions in the Terms and Conditions.
- 1.5 These UK Country Conditions apply to you only if you are a micro-enterprise as defined in Commission Recommendation 2003/361/EC, as amended from time to time (a 'Micro-enterprise'). As of the date of these UK Country Conditions, you must employ fewer than ten people and your annual turnover and/or annual balance sheet total should not exceed €2 million to fall within the definition of a Micro-enterprise.

### 2. CUSTOMER INSTRUCTION

- 2.1 You must submit Customer Instructions in accordance with the Security Procedures applicable to the Services or through any other method and form of consent as agreed with you.
- 2.2 In order for a Customer Instruction to be properly executed, we must be provided with the payee's bank sort code and account number or, where applicable, the bank identification code (BIC) or other relevant identification of the payee's bank and the payee's international bank account number (IBAN) or other relevant account number, and/or such information if any as we may advise you of from time to time.

- 2.3 We must receive a Customer Instruction before the cut-off time specified in any reference material provided to you or made available by us or we will deem the instruction to have been received on the next business day. Notwithstanding this, a Customer Instruction given to us after the cut-off time specified in any reference material provided to you or made available by us and on a business day for us may be processed by us on that day but we shall not be obliged to do so. Customer Instructions received on days which are not business days for us will also be deemed to have been received on the next business day. For the avoidance of doubt, a business day for us means any day other than a Saturday, Sunday or a public holiday in the UK, where we are open for business.
- 2.4 Where we receive a Customer Instruction from you for execution on a specific day, you agree that the time of receipt is deemed to be that specific day we are to execute that Customer Instruction.
- 2.5 Payment transactions will be executed in the currency agreed between the parties. The parties may also agree financial limit(s) upon the amounts which can be subject to Customer Instructions. Maximum execution times will be as advised to you whether in any reference material provided to you or otherwise made available by us.
- 2.6 Without prejudice to any provisions in the Terms and Conditions related to matters similar to these referred to below in this paragraph 2.6, we shall have the right to stop the use of a payment instrument (including the use of a password or token to access the relevant electronic channel and Services) on reasonable grounds relating to:
- (c) the security of the payment instrument;
  - (d) the suspected unauthorised or fraudulent use of the payment instrument; or
  - (e) your ability to repay any credit advanced to you.

### 3. AMENDMENTS AND TERMINATION

- 3.1 We may change any provision of any of the Agreements or we may offer to you new electronic channels or Services from time to time and where we do so, we will notify you in writing at least two months before we make any change to any of the Agreements or propose any additional terms applicable to those new electronic channels or Services. You will be deemed to have accepted any such change if you do not notify us in writing to the contrary before the date any such change comes into effect or if you continue to access the Services after such date. However, if you choose not to accept any change:
- (a) you may terminate the relevant Agreement(s) at any time before the change comes into effect; or

(b) our notice of the change shall be deemed to be a notice of termination given under the Terms and Conditions and the relevant Agreement(s) will terminate the day before any change comes into effect. Should there be any outstanding sums owed by you under any of the relevant Agreement(s), they will become immediately due and payable on termination.

3.2 Notwithstanding anything to the contrary in the Terms and Conditions, we may only terminate the relevant Agreement(s) in whole or in relation to the relevant electronic channel by giving you not less than two months' notice in writing.

3.3 The relevant Agreement(s) will continue until terminated in accordance with its provisions.

#### **4. COMMUNICATIONS**

4.1 You must notify your electronic channel's help desk or Bank representative either by telephone or via e-mail, without undue delay upon becoming aware of any actual or attempted unauthorised access to the relevant electronic channel(s) or any unauthorised transaction or attempt to execute any unauthorised transaction pursuant to the relevant Agreement(s).

4.2 If we need to contact you about any actual or suspected fraud or security threats, we will do this by emailing you or telephoning you.

#### **5. LIABILITY**

5.1 You will be liable up to a maximum of £35 for any losses you incur in respect of an unauthorised payment transaction or a misappropriation of the security features related to any electronic channel or the Services except that, you will be liable for all losses incurred in respect of an unauthorised payment transaction or a misappropriation of the security features related to any electronic channel or the Services where you have acted fraudulently or with intent or gross negligence failed to take reasonable steps to keep those security features safe.

5.2 You may be entitled to redress for an unauthorised or incorrectly executed payment transaction only if you inform your electronic channel's help desk or Bank representative without undue delay (and follow any further step(s) specified in any reference material provided to you or otherwise made available by us) on becoming aware of any unauthorised or incorrectly executed payment transaction, in any event no later than 13 months after the relevant debit date.

5.3 Subject to paragraph 5.1 and paragraph 5.2 above, where an executed payment transaction was not authorised by you, we will refund the amount of the unauthorised payment transaction to you and, where applicable, restore your debited account to the state it would have been in had the unauthorised payment transaction not taken place. For the avoidance of doubt, our obligation in this paragraph 5.3 shall take effect notwithstanding anything to the contrary in the Terms and Conditions.

#### **6. THIRD PARTY PROVIDERS**

6.1 In this clause "Third Party Provider" means a payment initiation service provider or account information service provider which is authorised by or registered with the

Financial Conduct Authority ('FCA') or another EEA regulator or otherwise permitted by law to access information on accounts and/or give us your instructions to make payments from those accounts which are accessible online and which are subject to the Payment Services Regulations 2017 (as from time to time amended, restated or re-enacted) (the 'Regulations') .

6.2 Notwithstanding anything else to the contrary in these Terms and Conditions, the Customer may instruct a Third Party Provider to access information on your accounts and/or give us instructions to make transfers from your accounts, without the need for a written agreement between us and the Third Party Provider, provided that in either case the Third Party Provider has identified themselves to us and acted in accordance with the requirements of the Regulations. Before entering into an agreement with a TPP you must check it is authorised. If you instruct an unauthorised third party, we will assume it is you that is authorising us to give access to information about your accounts and you will be responsible for any payments made as a result. If we are aware that an unauthorised third party is trying to access your accounts, we will block access to your accounts.

6.3 Any instructions from a Third Party Provider shall be deemed to be valid instructions from you to us for the purposes of these Terms and Conditions and shall be treated in the same way under the Terms and Conditions as an instruction given by you. This includes the right to refuse a Customer Instruction for the reasons set out in the Terms and Conditions.

6.4 We may deny a Third Party Provider access to an account where there are justified and evidenced reasons relating to unauthorised use or fraudulent activities by that Third Party Provider. Before doing so, we will inform you that we intend to deny access and will give reasons for doing so, unless it is not reasonably practicable to do so, in which case we will inform you immediately afterwards. In either case, we will inform you in the manner in which we consider most appropriate in the circumstances and will not be obliged to inform you, where doing so would compromise our reasonable security measures or otherwise be unlawful. In the event we deny access to a Third Party Provider we will also notify the FCA.

#### **7. MISCELLANEOUS**

7.1 If you require a copy of this Agreement (or any document it comprises), please contact your customer services representative or customer services help desk.

7.2 The language of this Agreement shall be English and all information provided, made available and notified to you shall be in English unless otherwise agreed.

7.3 Notwithstanding any provision herein, if at any time:

(a) you cease to be a Micro-enterprise and for each Customer Associate who is a Microenterprise and is a group undertaking (as defined in the Companies Act 2006, as amended from time to time (a 'Group Undertaking')), then the following provisions shall be relevant both to you and each such Customer Associate; or

(b) a Customer Associate is not a Micro-enterprise at the date that these UK Country Conditions take effect or ceases to be a Microenterprise, then the following provisions shall be relevant to the Customer Associate:

- (i) paragraphs 5.1, paragraph 5.2 and paragraph 5.3 of these UK Country Conditions shall no longer be applicable;
- (ii) to the fullest extent that is permitted by law, the provisions of the Regulations (as from time to time amended, restated or re-enacted) shall not apply to the Terms and Conditions and these UK Country Conditions; and
- (iii) the provisions which shall not apply as provided in paragraph 7.3.(b)(ii) above shall include the whole of Part 6 of the Regulations and regulations 66(1), 67(3) and (4), 75, 77, 79, 80, 83, 91, 92 and 94 of Part 7 of the Regulations (as from time to time amended, restated or re-enacted). In addition a different time period shall apply for the purposes of regulation 74(1) (notification of unauthorised payments), this period will be 60 days from the date of your statement.

7.4 No person other than the Bank, other members of the HSBC Group, the Customer and the Customer Associate(s) shall have any rights under the Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term (express or implied) of these UK Country Conditions but this is without prejudice to any right or remedy of a third party which may exist or be available apart from that Act.

7.5 Subject to these UK Country Conditions, where permitted, we are entitled to debit your accounts, wherever they are situated and whenever they are opened, with any amounts that we have paid or incurred in accordance with a Customer Instruction even if this may conflict with any terms and conditions relating to your accounts.

7.6 In the event you wish to make a complaint about any payment services covered by the Regulations, you should direct your complaint to your relationship manager. We will reply to any such complaint on paper or by electronic mail.

## **8. INFORMATION MANAGEMENT TERMS**

8.1 You may also have received one or more of the following documents from us setting out our information management terms (the "Information Management Terms"):

- (a) our Terms of Business;
- (b) our Tax Reporting Obligations Terms; and/or
- (c) our Business Banking Terms and Conditions on or after 1 November 2014.

8.2 In the event of conflict between (a) the provisions of the Agreement which relate to our management of information and (b) the Information Management Terms you have received (if any), the Information Management Terms will prevail.

8.3 Where you have not received any Information Management Terms from us, the terms of the Agreement shall apply in full until such time as you may receive any

Information Management Terms.

## **9. GOVERNING LAW AND JURISDICTION / OUT OF COURT REDRESS**

9.1 These UK Country Conditions and any dispute, claim or issue arising out of or in connection with them (whether of a contractual or non-contractual nature, such as claims in tort, for breach of statute or regulation or otherwise) shall be governed by the laws of England and Wales. Both parties irrevocably submit to the non-exclusive jurisdiction of the courts of England and Wales.

9.2 In addition, you may also be eligible for redress for any dispute and matter arising out of or in connection with the Agreement through the out of court dispute resolution mechanism provided by the UK's financial ombudsman service

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