



IMPORTANT INFORMATION ABOUT THE TERMS AND CONDITIONS FOR YOUR SAVINGS ACCOUNTS

This communication summarises some important changes to the terms and conditions for the savings accounts you have with us.

We are making some changes to the way our accounts are operated in order to comply with new regulatory requirements relating to payment services under the Payment Services Regulations 2009 ('the Regulations'). We are also taking the opportunity to update and clarify your terms and conditions to make them easier to understand.

This communication explains some important points about the way payments into and out of your accounts are dealt with under the Regulations. It includes a summary of the changes to your existing terms and conditions. Where we summarise conditions relating to your accounts which are different from the existing terms and conditions, this notifies you of the changes to our agreement with you.

The changes which we are making to comply with the Regulations will come into effect on **1 November 2009**. All other changes will come into effect 30 days after we send you this communication.

Copies of your new terms and conditions will be available online, or if you phone us for a copy, from **1 November 2009**.

1.1 The Regulations

What do the Regulations cover?

The Regulations cover all payments on your ING Direct accounts (except mortgages and payments by cheque) and set minimum standards to improve consumer protection for customers using payment services. The Regulations cover:

- Timescales for making payments
- Giving us payment instructions and how mistakes are corrected
- Information we give you about your accounts
- More notice when we change our agreement with you
- Ending our agreement with you

The Regulations give you additional protection which we have not referred to in this communication because they are already contained in your existing terms and conditions or we already operate the account in line with those requirements.

The conditions which the Regulations affect are set out in the following sections of the new terms and conditions:

- Withdrawals from your account
- Cut-off times for instructions (for withdrawals)
- Communication and payment instructions
- Security and access
- Liability
- Refunds
- Closing your account

1.2 Making and receiving payments

What timescales apply for payments into and out of my accounts?

Payments to and from another bank or building society account take up to three business days, in line with the Regulations.

If we receive your payment instruction after a certain time in the day (called a 'cut-off time') we will not be able to start processing your instruction until the next business day. The cut-off time varies depending on the way a payment is being made.

Except in the case of Fixed Rate and Guaranteed Investment accounts, electronic payments into your account will be available for you to use as soon as we receive the funds, and for all our savings accounts you will start earning interest straightaway.

Payments to or from another savings account you hold with us which are instructed between midnight and 1am will be treated as having been made on the previous day.

When can payments be delayed or not made?

The Regulations set out when we can delay or refuse to act on a payment instruction and when we can restrict access to your accounts, including for payment instructions.

In line with the Regulations we can delay or refuse a payment in certain circumstances, for example if there is not enough money in your account to make the payment, if making the payment will

mean you exceed any account limits or restrictions, or if the details supplied for payments into or out of your account are insufficient or inaccurate.

We can restrict access to your account if we think this is necessary for security reasons, for example if we believe your security details are being used without authorisation or fraudulently.

When can I cancel a payment instruction?

We start processing payment instructions promptly when we receive the instruction (subject to cut-off times), therefore a payment instruction cannot normally be cancelled.

What will happen if I have not authorised a payment?

If you become aware of an unauthorised payment on your account you must tell us as soon as possible. If we are satisfied that you have a valid claim, we will refund the payment and any interest due. You will only be able to claim a refund if you tell us within 13 months, except for Fixed Rate and Guaranteed Investment accounts or where a Direct Debit has been used.

You will not be entitled to any refunds if you have acted fraudulently or not taken reasonable steps to protect the security of your account.

What happens if I give you the wrong payment details?

You must ensure you give us the correct details for a payment instruction. If you give us the wrong details you should tell us immediately and we will try to recover the money for you.

What happens if a payment from my account does not reach the recipient?

If you gave us the right payment details in line with the terms and conditions of your account and the payment was not received at the recipient's bank, we will refund the payment and any interest due.

1.3 Payment information

What payment information will I now receive?

The Regulations require all banks to provide certain information about payments to their customers. From 1 November 2009 your statement and any transaction summaries will contain additional information about payments into and out of your account, for example the sort code, partial account number and name of the sender or recipient.

Where will I find information about payment transactions?

You can find the information in your statement and you will also be able to access and print off an electronic transaction summary showing payments into and out of your account from our website or you can call us.

1.4 Changes to variable interest rates and to other terms and conditions

How will I know about a change to the interest rate payable on my account?

Where the interest rate on your account goes up we will tell you as soon as possible after the change.

Where the interest rate is going down, we will tell you in advance and give you at least the minimum period of notice required by law or regulation.

What about other changes?

We will give you two months advance notice by post or email of any other changes to the terms and conditions.

1.5 Closing your account

When can you close my account?

The Regulations state that other than in exceptional circumstances we must give you two months notice if we want to close your account (excluding Fixed Rate and Guaranteed Investment accounts). We will do this by writing to you by post or email.

How can I close my account?

You can close your account by phoning us. If it is not a business day or if it is after the applicable cut-off time we will close the account the next business day. You will continue to earn any interest due until the account is closed.

2. OTHER CHANGES TO TERMS AND CONDITIONS

What other changes are you making to my terms and conditions?

We are also taking this opportunity to update some of your terms and conditions to make them easier to understand and to make how your accounts operate clearer.

Section 2.1 below summarises changes applying for all our savings accounts. Section 3 summarises additional changes which apply just for specific accounts.

2.1 Changes which apply for all our savings accounts

- The government has introduced a new scheme to allow funds in accounts which have not been used for many years (called 'dormant accounts') to be put to good use. If you do not access your account for 15 years the funds will be transferred to a 'reclaim fund', which is a separate authorised organisation under the scheme. If you need to reclaim your money and interest from the reclaim fund we will be able to help you do this. Also, if you (or your joint account holder) do not access your savings accounts with us for 3 years, we may restrict access to all of the savings accounts you hold with us. You can ask us to remove these restrictions by contacting us at any time.
- Sterling is the only currency in which you can make and receive payments.
- Cheques received after 2pm on a business day will be treated as being received on the next business day. Details of the clearing periods for cheques are set out in the revised terms and conditions. We will start paying interest on a cheque from the third business day after we show the amount of the cheque in your account. We will make the amount of a cheque available for you to use from the seventh business day after we show the amount of the cheque in your account.
- We will not be liable as a result of refusing or delaying a payment instruction, provided we have acted reasonably and in line with the terms and conditions.
- If you live in Northern Ireland, your agreement will now be covered by Northern Irish law. Scottish residents will be covered by Scottish law, and residents in England or Wales will be covered by English law. This aims to ensure that wherever you live your agreement will be covered by the most relevant law.
- We may apply restrictions to payments from your accounts using the Faster Payments Service if available.
- We have grouped certain related conditions together, added additional explanations and given you more details where appropriate to make the terms and conditions clearer and easier to understand.

3. ADDITIONAL CHANGES FOR SPECIFIC SAVINGS ACCOUNTS

3.1 ING Direct Savings Account

- If a joint account holder dies, we can treat the remaining customer as entitled to access all the funds in the joint account. We may keep the account open in the sole name of the remaining customer or we may close the account and open a new account in the name of the remaining customer and transfer the funds to the new account. Confirmation of the death may be required.

3.2 Web Saver Account

- As previously advised, the maximum balance for the Web Saver Account has increased to £1,000,000.
- We have made clear that you can make payments into a Web Saver Account not only from your tied account but also by transferring money electronically (other than by Direct Debit) from another bank or building society, or by sending us a cheque from a UK bank account.
- If the tied account for your Web Saver account is a joint account, if you die we may close your account and transfer the funds in the account to the account nominated by your personal representatives or the executor of your estate.

3.3 ING Direct Cash ISA

- If HM Revenue & Customs tell us that your ING Direct Cash ISA is invalid for any reason we will pay interest in accordance with HM Revenue & Customs' instructions.
- We can close your account by giving you at least two months notice in writing if there are no funds in your account at the end of the tax year in which you opened your ING Direct Cash ISA.

3.4 Fixed Rate Savings Account

- If a joint account holder dies, we can treat the remaining customer as entitled to access all the funds in the joint account. We may keep the account open in the sole name of the remaining customer or we may close the account and open a new account in the name of the remaining customer and transfer the funds to the new account. Confirmation of the death may be required.

3.5 Guaranteed Investment Account

- If the end of term date is not a business day it will be treated as being on the previous business day.
- If you wish to close your Guaranteed Investment Account at an exit window, you must instruct us to do this no later than the end of the business day before the exit window.

If you would like any further clarification of these changes after you have read your new terms and conditions, please don't hesitate to contact us.

We hope you will find the new terms and conditions more clear and helpful in understanding how your ING Direct accounts operate.

We would like to take this opportunity to thank you for saving with ING Direct.

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