



THE
FAMILY
BUILDING
SOCIETY

FAMILY OFFSET ACCOUNT

GLOSSARY OF TERMS

This aim of this glossary is to provide you with a clearer understanding of the language used within our savings literature.

For more information on terms please refer to our A to Z jargon buster at familybuildingsociety.co.uk/savings-jargon-buster



Deposit – The funds in your savings account which are intended to assist the Borrower(s) in securing their Mortgage and to provide additional security for that Mortgage.

Family Offset Account – A savings account which allows family members to use their savings to reduce the amount on which interest is charged on the Family Mortgage. No interest is earned on the value deposited in the Family Offset Account, as this value is instead passed on to reduce the interest charged on the mortgage.

Joint account – A savings account shared by two or more individuals. For the Family Offset Account, account holders must be direct family members of the Family Mortgage applicant requiring this additional security against the mortgage.

Savings Account Certificate – This is sent to you after opening your savings account. It contains your account information and is confirmation of your initial deposit.

Summary Box flyer – This is a summary of the key features of your savings account. This is included within the product pack along with a Product Features leaflet and the General Conditions for our Savings Accounts booklet.

HOW TO CONTACT US

📞 New Business Team: 03330 140141;

💻 familybuildingsociety.co.uk;

✍️ Ebbisham House, 30 Church Street, Epsom, Surrey KT17 4NL

Once your account is opened, if you need to contact us:

📞 03330 140144;

✉️ savings.service@familybsoc.co.uk

IN THIS PRODUCT FEATURES LEAFLET WE'VE SET OUT THE FEATURES AND BENEFITS OF OUR FAMILY OFFSET ACCOUNT, SO THAT YOU CAN DECIDE WHETHER OR NOT THE ACCOUNT SUITABLE FOR YOU.

YOU WILL ALSO BE REQUIRED TO SIGN A DEPOSIT AGREEMENT AS SET OUT IN THE ACCOUNT TERMS ON PAGES 6 AND 7 OF THIS LEAFLET.



This account would be right for you if you'd like:

- To reduce the interest that is charged on your family members' Family Mortgage
- To provide additional security in support of a buyer using the Family Mortgage.



This account wouldn't be right for you if you'd like:

- Access to your savings during the time any money is being used as security (usually up to 10 years)
- To add additional savings at a later date
- To earn interest on your savings.

IN SUMMARY



The Family Offset Account is designed to reduce the amount of the Family Mortgage on which interest is charged by an amount equal to the amount in the Family Offset Account. No interest will be earned on the account but no interest will be charged on an equivalent amount of the Family Mortgage to which the account is attached.

The Family Offset Account is linked to a Family Mortgage. This arrangement will usually last for at least 10 years, depending on the combination of Family Mortgage product terms selected by the Family Mortgage borrower but may extend beyond this as described in this leaflet.

It is not suitable for family members who may need access to their money while this arrangement is in place.

The money in the Family Offset Account can also provide us with the additional security for a family member who is taking out a Family Mortgage but would otherwise not have a sufficient deposit to meet our standard lending criteria. This element of the Family Mortgage arrangement will apply for a period of up to 10 years in most cases, but may extend beyond this in certain circumstances as described in this leaflet.

Other key features:

- The account is set up at the start of the Family Mortgage and cannot be added to
- Withdrawals or account closure are only available following a review of the Family Mortgage to which the account is attached

- Withdrawals will be paid by transfer to your bank account or by transfer to another account with us
- Account closure will usually occur no later than the review date following the expiry of 10 years after the start of the Family Mortgage to which the account is attached. This is subject to payments on the Family Mortgage being up to date and no demand having been made by us for repayment of the Family Mortgage. It may also be extended if the Family Mortgage is on a fixed rate and there is an outstanding term left to run at Year 10 on the then current fixed rate.

If the money in the Family Offset Account is also being used as additional security then:

- It enables a borrower with a minimum 5% deposit to meet our standard lending criteria
- If the borrower sells the property or it is repossessed by us and the sale proceeds are insufficient to clear the full balance on the Family Mortgage, we can take the money in the account to make up the difference
- Our charge will usually be released no later than 10 years after the start of the Family Mortgage. This is subject to the payments on the Family Mortgage being up to date and no demand having been made by us for repayment of the Family Mortgage
- You will be required to sign a Deposit Agreement in a form we supply.

THE MORTGAGE WILL BE SECURED ON YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Before completing the application form, please read this leaflet carefully, together with the Family Mortgage brochure, the accompanying Summary Box flyer and the General Conditions for our savings account which are separate enclosures. Please get in touch if you have any questions.



FAMILIES CAN HELP TO REDUCE THE OVERALL AMOUNT THAT INTEREST IS PAID ON

THE THAKUR'S STORY



DEV THAKUR IS 27. AFTER A FEW YEARS LIVING BACK HOME, HE'S LANDED HIS DREAM JOB. WITH HIS NEW SALARY, HE'S FINALLY ABLE TO AFFORD THE MONTHLY PAYMENTS ON THE KIND OF HOUSE HE'D LIKE TO BUY. HE HAS SAVED £10,000 FOR A DEPOSIT. DEV'S GRANDPARENTS, TANIKA AND ANIL, HAVE SAVINGS THAT THEY WANT TO USE TO HELP HIM.



'The money could be working harder for Dev than it would just sitting in a bank'

15 GARDEN CLOSE

VALUE: £200,000

Tanika and Anil put £50,000 of their savings into a Family Offset Account with us.

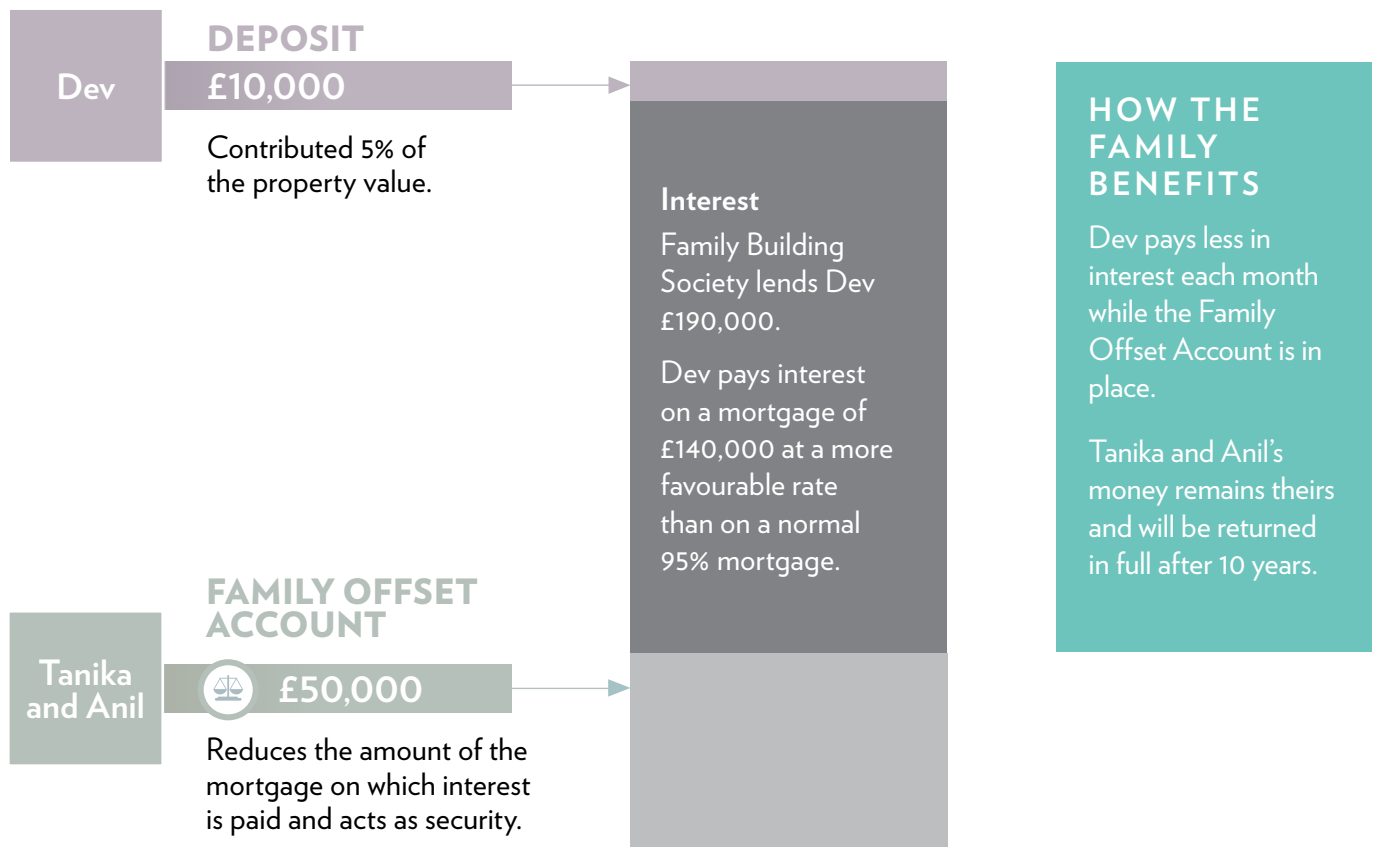
By not receiving interest on the money, they pass on the benefit to Dev. By using the Family Mortgage in this way, instead of paying interest on the full mortgage, Dev pays interest on the loan amount minus his grandparents' savings of £50,000, which leaves £140,000.

This reduces his monthly payments and also acts as security for Dev's mortgage which means the interest rate that he pays is also lower than he might otherwise be able to get.

The money remains Tanika and Anil's and provided Dev keeps up the payments on his mortgage then they can expect it to be returned in full after 10 years. The precise return date depends on the combination of fixed rate periods chosen by Dev.

The interest Tanika and Anil lose is likely to be less than the amount Dev will save by not having to pay interest on the full mortgage amount. It is worth noting that the interest they could have earned on their savings may have been subject to tax.

HOW IT ADDS UP FOR THE THAKURS



FAMILY OFFSET ACCOUNT

The full terms of this account comprise the details set out in this Product Features leaflet and in the separate General Conditions for our Savings Accounts booklet.

We reserve the right to withdraw this account at any time and without prior notice.

The maximum amount that can be placed in all Family Offset accounts linked to a Family Mortgage is limited to a third of the total mortgage advance.

In order for the borrower to meet our standard lending criteria the total amount charged as security in all Family Security Accounts and Family Offset Accounts plus the value of any charge on another family property when added to the borrower's initial deposit must be equal to at least 25% of the value of the property being purchased with a Family Mortgage.

FINANCIAL SERVICES COMPENSATION SCHEME

Eligible deposits with the Society are protected by the Financial Services Compensation Scheme (FSCS).

This savings product is covered by the FSCS.



APPLYING FOR AN ACCOUNT

You can apply for the a Family Offset Account by post and this must be done at least 14 days before the start of the Family Mortgage to which the account is attached. For the borrower's protection, and in order to provide certainty that the Family Mortgage funds will be available, the account should be opened before contracts are exchanged in respect of the property being purchased with a Family Mortgage.

Who can open this account?

You can open an account as an individual or jointly and you must be a direct family member of the Family Mortgage applicant requiring this security. Direct family members include the borrower's parents, parents' siblings (uncles and aunts) or grandparents. Step-relations in these roles are also acceptable. You must also be ordinarily resident in the UK for tax purposes.

Up to four separate Family Offset Accounts and/or Family Security Accounts with one or two family members per account can be opened in connection with any one Family Mortgage, allowing a wide set of family members to help the borrower buy their home.

What do you need to do?

Your Family Offset Account will be opened when we receive your:

- fully completed Family Offset Account application form;
- opening investment (minimum £5,000);
- evidence of identity (if required).

You can open an account by cheque or by transfer from another savings account with us (subject to normal withdrawal terms of the paying account).

If you are opening your account by cheque please make it payable to "Family Building Society", followed by your name.

Unless you're an existing customer, we will require at least one cheque to be drawn against your own personal bank account to allow the new account to be opened. If you are unable to provide a personal cheque and your funds are to be drawn from another bank or building society account please contact our New Business Team to discuss the circumstances before you apply.

Account Records

When your Family Offset Account has been opened, we'll send you a Savings Account Certificate as confirmation of the amount placed in the account.

The Certificate should be kept in a safe place, along with this leaflet and the General Conditions for our Savings Accounts booklet, as your record of your account. We'll issue a statement each January covering the previous 12 months that shows withdrawals following a review and the latest balance.

In order to keep you up to date with information, we ask that you let us know as soon as possible of any changes to your name, address, phone number or email address.

IDENTIFICATION REQUIREMENTS



We are required by law to verify the name and address of all new members.

New members

To check your identity we will carry out searches on you at a credit reference agency that will supply us with information, including details from the Electoral Register. The searches will not be seen or used by lenders to access your ability to obtain credit.

If we are unable to verify your identity by this method we will be unable to open your account until we receive further identification. In this instance we will advise you of the additional documentation required.

Existing members

If you are applying for an account by post, you will not need to provide further evidence of your identity if you already have an open savings or mortgage account with us, your signature matches our records, and your name and address haven't changed.

TREATING CUSTOMERS FAIRLY



We are committed to treating our members fairly, and it's central to everything we do. As part of our commitment to treating you fairly we will provide information on our products and processes that is clear and easy to understand. If you have a query or need our help and support, we will respond to your needs and treat them sensitively and flexibly. If you have any questions, or need any help with applying for a product or managing your account, please contact us using the information at the end of this leaflet.

COMPLAINTS



We always try to provide a first-class service.

Occasionally however, things can go wrong. If they do, we'll try to put them right.

If you have a complaint you should contact us and we will endeavour to resolve the matter quickly and satisfactorily. In the first instance contact should be made by phone or in writing to our Family Service Team at our Principal Office. A leaflet detailing how we deal with complaints is available on request from our Family Service Team, our Epsom branch or our website familybuildingsociety.co.uk/complaints

If we do not resolve your complaint internally to your satisfaction, you may be able to refer it to the Financial Ombudsman Service. The service was set up by Parliament and is free for customers to use. They will look at the facts of what's happened in a dispute between customers and financial firms.

They may decide that a firm has dealt with a complaint fairly and will explain why to the customer or they may decide that the firm has done something wrong and they will then tell the firm to put things right. A copy of the explanatory leaflet published by the Financial Ombudsman Service is available on request or further information is available on their website financial-ombudsman.org.uk

FAMILY OFFSET ACCOUNT TERMS AND AVAILABILITY



You must read these Account Terms which include the 'Summary Box' with our General Conditions for Savings Accounts which also apply to this Account. If there is any conflict between these Account Terms and the General Conditions for our Savings Accounts, these Account Terms will prevail.

In these Account Terms the following defined terms will apply and will have the meanings set out below:

Account means a Family Offset Account;

Additional Security means (other than the Deposit and any Mortgage over the Property) any security we hold for the Mortgage, being other Family Offset and/or Family Security Accounts charged on similar terms, or security over other property;

Borrower(s) means the person(s) being assisted with their Mortgage by your Deposit;

Deposit means the funds in your Account from time to time which are intended to assist the Borrower(s) in securing their Mortgage and to provide additional security for that Mortgage: where there is more than one Account, reference is to each and every Account;

Deposit Agreement means (if applicable - see Condition 1) the Deposit Agreement we require you to enter into with us under which you charge the Deposit to us as security for the Mortgage;

Mortgage means the Family Mortgage entered into by the Borrower(s) in respect of the Property (and including any variations, replacement offers and further advances);

Property means the property of the Borrower(s) charged to us under the Mortgage;

Relevant Proportion means the proportion of the Deposit to the sum of (i) the Deposit; and (ii) the value of the Additional Security (as described further in the Deposit Agreement);

Review Date means the date of expiry of any fixed rate of interest on the Mortgage as identified in the offer for the Mortgage (or any subsequent offer);

Security Cover means at any given time the aggregate of (i) the value of the Property, (ii) the Deposit and (iii) the value of any Additional Security.

1. The Account is only available in conjunction with a Mortgage. Where we require some or all of the Deposit as security for the Mortgage you are required as a condition of the Account to enter into the Deposit Agreement. The maximum number of Family Offset and/or Family Security Accounts you may have in respect of one Mortgage is four and all such accounts must be referred to in the offer letter for the Mortgage. Accounts may only be opened by post having completed the relevant application form.
2. The offer letter for the Mortgage we issue to the Borrower(s), which we will copy to you, will specify the required Deposit. We will send you copies of any replacement offers or offers for further advances.
3. We require that you receive independent legal advice before you open an Account and that the certificate to this effect is completed by a solicitor who is not also acting for the Borrower on the Mortgage. This could however be another solicitor at the same firm as the Borrower's solicitor. The solicitor is likely to charge you a fee for this advice and you will be responsible for paying any such fees. The certificate is contained in the Deposit Agreement where some or all of the Deposit is being used as security for the Mortgage, or we will supply a separate certificate for you to complete if no Deposit Agreement is being entered into.
4. The full amount of your Deposit will be subject to these terms and conditions and (if relevant) the Deposit Agreement. You will not be permitted to withdraw any of the Deposit except as provided in these terms and conditions. You should therefore ensure that after having provided the Deposit you will still have sufficient funds available from other sources to meet any financial demands that you may face as you will not have any access to the money you provide for the Deposit during that time. In light of this, and of any tax liabilities you may face, we also strongly recommend but do not require that you also seek independent financial advice before you open an Account.
5. To open an Account you must be aged 18 or over and be ordinarily resident in the United Kingdom for tax purposes.

ADDING TO YOUR SAVINGS



6. When opening the Account you must deposit the full amount of the required Deposit. It is not possible to make further investments following your initial investment.

INTEREST



7. Interest will not be paid on the Account but the amount on to which interest is charged to the Borrower(s) under the Mortgage will be reduced by the corresponding balance held in a Family Offset Account. The Borrower(s) will not make capital payments on this amount where the Deposit is in place, but will do so once it has been repaid under Conditions 9 - 17 below.

TAKING MONEY OUT



8. No withdrawals from or closure of your Account will be permitted save as provided in Conditions 9 to 17. This does not prevent us exercising our rights under the Deposit Agreement to use money in the Account as security for the Mortgage where there is a Deposit Agreement in place.
9. Subject always to any additional requirements in Conditions 11 to 17 below, we will repay all of the Deposit to you upon the earliest of:
 - (a) full repayment of the Mortgage, or
 - (b) the next Review Date following after the expiry of the period of 10 years from the date of the Mortgage (the "Final Review Date"), or
 - (c) any Review Date, other than the Final Review Date, on which Condition 11 below is satisfied.
10. Subject always to any additional requirements in Conditions 11 to 17 below, we will repay part of the Deposit to you on any Review Date, other than the Final Review Date, on which Condition 11 below is satisfied.
11. Any repayment of all or part of the Deposit held in a Family Offset Account under Conditions 9 (c) or 10 above is conditional upon our being satisfied as a reasonable and prudent lender that the Mortgage after such repayment will be affordable for the Borrower(s) within our then current lending criteria. We may update and vary our lending criteria at our discretion from time to time. We will act in good faith as a reasonable prudent mortgage lender in doing this and will not do so purely to disadvantage customers with Family Offset Accounts, although any changes to such lending criteria may have a disadvantageous effect in delaying release of the Deposit. When any of the Deposit is also held as security you will also have to satisfy Conditions 12 to 13 (as applicable) below to permit release of security before any amounts are repaid.
12. Where all or any of the Deposit is also held as security your liability to us as set out in the Deposit Agreement will (subject to Conditions 14 to 17 below) be released in full upon the earliest of:
 - (a) full repayment of the Mortgage; or
 - (b) expiry of the period of 10 years from the date of the Mortgage; or
 - (c) any Review Date on which the balance on the Mortgage expressed as a percentage of the value of the Property is 75% or less.
13. Where all or any of the Deposit is also held as security your liability to us as set out in the Deposit Agreement will (subject to Conditions 14 to 17 below) be partially released on any Review Date on which the balance of the Mortgage expressed as a percentage of the Security Cover will be 80% or less after any such release. We will only make a partial release from the Deposit under this Condition if the amount which can be released without the Mortgage balance exceeding 80% of the value of the Security Cover is at least £5,000 and if the remaining Deposit is at least £5,000 after any such release.
14. Notwithstanding any full or partial release under Conditions 12 or 13 above, repayment of all or part of the Deposit to you is conditional upon Conditions 9 or 10 above, as applicable, being satisfied.
15. To calculate the value for the purposes of Conditions 12 and 13 above we will value the Property using our standard criteria in place at the time in the period of 30 days prior to the Review Date and notify you whether all or part of the Deposit is to be released or not.
16. If we hold Additional Security we will tell you when the Account is opened what the Relevant Proportions are in the Deposit Agreement (and we will also set this out in the offer letter for the Mortgage). We will only release amounts in accordance with Conditions 12 or 13 taking the Relevant Proportions into account between the Deposit and any Additional Security.
17. If (i) the payments on the Mortgage are not up to date, or (ii) we have otherwise demanded repayment in full of the Mortgage in accordance with its terms, in each case at the expiry of the period referred to in Condition 9 (b), or on any Review Date for the purposes of Condition 9 (c), 10, 12 or 13 then the Deposit will not be repaid, and where any of the Deposit is security for the Mortgage the Deposit Agreement will remain in force, until the payments are up to date under the terms of the Mortgage and/or any moneys demanded under the Mortgage have been repaid in full, at which point it will be repaid as provided under Condition 9 (b), 9 (c), 10, 12 or 13 as applicable.
18. If the Property is sold or we are forced to repossess the Property at any point while the Deposit Agreement is in force, and there is a shortfall on the sale (that is, we do not receive enough money to clear the full balance on the Mortgage), we can take money from the Account to make up the difference at any time without prior notice to you as set out in the Deposit Agreement. We will inform you if this has been done. If there is Additional Security we will only exercise our rights in the Relevant Proportions as described in the Deposit Agreement.
19. If we repay all or any of the Deposit as described in Conditions 9 and 10, we will do this by electronic payment direct to your nominated account or, if you ask us, by transfer into another account with us.
20. The Deposit will remain in the Account subject to these terms and conditions and (if applicable) the terms of the Deposit Agreement even if you die, and so will not be available to your estate until it is released as described in Conditions 9 - 17 above.

CHANGES TO THE ACCOUNT



21. No changes to the names on the Account, including any assignment or transfer of it, may be made by you.

If you need this document in an alternative format please call us on **03330 140141**.

To find out more, please contact our New Business Team:



familybuildingsociety.co.uk



03330 140141



newbusiness@familybsoc.co.uk

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Family Building Society is a trading name of National Counties Building Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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