



Strictly Private & Confidential

Ulster Bank Ireland DAC
Business Lending Interest Rate Review
PO Box 12951
Dublin 2

Telephone: 1800 719 874
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www.ulsterbank.ie

Reference:

Customer Name:

**THIS LETTER CONTAINS IMPORTANT INFORMATION REGARDING A REFUND DUE ON
YOUR FORMER ULSTER BANK IRELAND DAC ACCOUNT(S). PLEASE DO NOT
DISREGARD THIS LETTER.**



Dear Sir/Madam,

We are writing to you to let you know that we have identified an interest overcharge that may have affected your former Ulster Bank Ireland DAC ("**the Bank**") account(s), listed in the Important Information table attached to this letter. We have now resolved this situation and want to outline how your account(s) were impacted by this issue and provide details of the enclosed remediation payment (Total Refund Due).

We sincerely apologise for any inconvenience this may have caused and for the length of time it has taken to resolve this situation. We value all of our customers and we fully appreciate your patience in this regard.

How did this occur?

In April 2012, the Bank changed the definition of Cost of Funds, a variable component of the interest rate charged on certain business lending facilities provided by Ulster Bank. The Cost of Funds rate applicable to your account(s) was therefore increased from 26 April 2012 until the 'End Date(s)' (as specified in the Important Information table attached to this letter).

The Bank has since identified that the facility documentation in respect of some business lending facilities did not permit this change, and the revised rate resulted in an overcharge to those accounts.

Although your account had a fixed rate of interest applying when the change in definition took place in April 2012, the Bank has deemed your account(s) to have been affected by this issue from the date on which the fixed rate of interest on your account(s) expired (this is the 'Start Date(s)' as specified in the Important Information table).

What have we done to rectify this situation?

To rectify this situation, we have carried out an interest review of your account(s) and have identified that you are due a total refund of € Please find a cheque for this amount attached.

In calculating the Total Refund Due, we:

- i. Calculated the amount of interest overcharged (the Refund of Overcharge); and,
- ii. Added an additional interest payment to compensate you for the time this money was not available to you during the period of overcharge.

See the attached Important Information sheet for further detail.

If you have further accounts which have been affected by this issue, you may receive a separate letter.

Next Steps?

We recommend that you lodge the attached cheque to your bank account as soon as possible or, at the latest, within 6 months of the date of the cheque.

Need more information?

If you have any queries, or are unsatisfied with any aspect of this letter or the supporting Important Information sheet there are a number of ways to get support. You can;

- Visit the Business Lending Interest Rate Review page (<https://digital.ulsterbank.ie/blirr>);
- Call the Business Lending Interest Rate Review team on +353 (0) 1 531 7180 or on 1800-719874 from Monday to Friday between 9.00am & 5.00 pm (excluding Bank Holidays); or
- Write to us at the address provided at the top of this letter.

Please note that in any correspondence addressed to us, we would ask that you quote the account number(s) and the reference number at the top of this letter to assist us in identifying your account(s) and responding in a timely manner.

Yours faithfully,



Eddie Cullen
Managing Director, CIB



Important Information

The following sets out important information. You should consider taking independent legal, financial and taxation advice regarding same, as appropriate. Please note any such advice will be at your own cost.

The **Important Information Table** below outlines your account(s) affected, the period of overcharge, the amount of the interest overcharge now due for refund, and the additional interest amount.

a)	b)	c)	d)	e)	f)	g)
Sort Code / Account Number	Account Type Description	Start Date	End Date	Refund of Overcharge (€)	Additional Interest (€)	Total Refund Due (€)
XXXX	BUS TERM LOAN CAP&INT					
Total						

Your Important Information Table explained:

a) Sort Code / Account Number

- o The Ulster Bank sort code and account number for the account(s) impacted.

b) Account Type Description

- o The description of the account/product type.

c) Start Date

- o The date on which the interest overcharging on your account(s) began. The interest overcharging on your account(s) began when the fixed rate of interest rate on your account expired and you moved to a Cost of Funds rate.

d) End Date

- o The date on which Ulster Bank ceased overcharging interest. Ulster Bank ceased overcharging interest on your account(s) on the earlier of:
 - the date new facility documentation for your account(s) came into effect; and,
 - the date of closure of your account(s).

e) Refund of Overcharge

- o The amount of interest overcharged due to the incorrect rate.

f) Additional Interest

- o This is an additional payment to compensate you for the time this money was not available to you due to the overcharge (see Frequently Asked Question 2).

g) Total Refund Due

- o This is the total of the **Refund of Overcharge** and the **Additional Interest**.
- o The cheque attached to this letter is equal to this amount.



Frequently Asked Questions

1. What is Cost of Funds?

Cost of Funds is a variable component of the interest rate charged on certain business lending facilities provided by Ulster Bank. It is based on how much it costs Ulster Bank to source the money that it lends to customers. The interest rate is made up of the Cost of Funds rate, which can vary from week to week, and the margin. The Cost of Funds component is updated each week on the Ulster Bank website. The current Cost of Funds is available to view on the Ulster Bank website (<https://digital.ulsterbank.ie/cof>).

2. How is the Additional Interest amount calculated?

We have calculated the Additional Interest component of your refund as follows:

- for the period of overcharge when your account(s) were open, we have calculated this interest using the rates applied to your account(s); and,
- if your account(s) are closed, for the period since closure, a rate of 3% per annum has been used to calculate this interest.

The Additional Interest amount has been calculated to a future date of 28 days from the date of this letter.

3. Could this refund amount change?

No. The 'Total Refund Due' is what we have calculated as being payable to you.

4. When can this cheque be lodged?

This cheque can be lodged upon receipt as long as the payee details on your cheque are correct. We encourage you to lodge this cheque to your bank account as soon as possible or at the latest within 6 months of the date of the cheque.

5. What steps do I need to take if the account(s) that I had with Ulster Bank had other parties named?

The letter that has been sent to you is addressed to all parties to the account(s) that have been affected. It is important that all parties to the account(s) read the contents of the letter carefully.

6. Why are some of my accounts included in the letter and other accounts excluded?

This letter only refers to the account(s) identified in it. If you have other accounts with Ulster Bank that have been affected by this issue, you may receive a separate letter in respect of such accounts. If the facility documentation for your other account(s) was found to permit the higher Cost of Funds to be charged, then no overcharge took place and there will be no remediation payable.

7. My letter says that I 'may' have been affected by an interest overcharge, that my facility documentation 'might' not have permitted this change to Cost of Funds, and that I have been 'deemed' in scope for rectification. What does this mean?

Ulster Bank has completed an extensive investigation to identify the customers affected by this issue. This required the review of customers' facility documentation. However, where the facility documentation for certain accounts was not readily available, Ulster Bank has decided to treat them as having been overcharged and to remediate them without further investigation, rather than delay remediation any further. This means that Ulster Bank will treat your account as having been overcharged for the time being.

8. Was my account impacted by this issue during the fixed rate period?

No. Cost of Funds is a component of the variable interest rate charged on certain business lending facilities provided by Ulster Bank. Your account was therefore not impacted by this issue during the period when interest was being charged at a fixed rate.