

APPLE PAY NOTICE OF VARIATION

Important Information about changes to the terms and conditions that apply to your M&S Bank debit and credit cards

IMPORTANT INFORMATION ABOUT CHANGES TO THE TERMS AND CONDITIONS THAT APPLY TO YOUR M&S BANK DEBIT AND CREDIT CARDS

To cater for the new technology used by Apple Pay, we need to make certain changes to your M&S Bank debit card or credit card terms and conditions with us ("your agreement").

This document explains the changes that will be made to or will be activated within your agreement. The changes set out in this notice take effect upon you successfully registering for Apple Pay. If you are not happy with any of these changes, you can delete your M&S Bank card from your Apple device and continue to use other means of payment which are covered by your existing agreement. Do not use the Apple Pay service until you have carefully read these terms and are happy with them.

The terms and conditions of your agreement that deal with the following areas will be changed as set out below:

DEFINITION OF A "CARD"

Definitions in your agreement will be changed to ensure that where the agreement refers to a "card", that meaning also covers the digital version of each card which is issued by us or on our behalf and which you store in Apple Pay where the context would be appropriate. We may also need to slightly change other current definitions, such as:

- "contactless cards", which refers to a plastic card which enables you to make contactless payments;
- current references to a customer's ability to use "cards" to access services using ATMs or the bank's self service machines, where those services will still only be available with plastic cards;
- references to expiry dates in the agreement will normally refer only to expiry dates on your plastic card.

Your agreement will also be changed so that it is clear where there is an obligation to return or destroy cards, there will also be an obligation to delete a card from each Apple device it is registered on.

PROTECTING YOUR CARD/ACCOUNT

To the extent that any of the terms and conditions of your agreement may be read to suggest that you are not permitted to enter card details or security details as part of the registration of a card with Apple Pay, these will be changed to make it clear that you are allowed to register a card with Apple Pay.

You already have obligations in your agreement to protect your account and cards. There are some specific additional precautions we will add to this to cover cards you register with Apple Pay. For these cards, you will need to take reasonable precautions to keep cards registered in Passbook, including the security details that relate to them (your device passcode and your fingerprint stored in your Apple device) safe and to prevent fraudulent use of them.

In particular:

- you must not choose a device passcode that can be easily guessed by anyone else; or tell anyone else what your device passcode is; and
- you must ensure that you do not store anyone else's fingerprint within your mobile device.

If you have already set up your phone with a device passcode or fingerprint access, you must review this and ensure that you change any device passcode that can easily be guessed or that you have already shared with anyone else and you must delete any fingerprint access that is not your own. Also, you must not activate a payment session on your Apple Watch using your Apple iPhone when someone else is wearing it.

Your agreement will also be changed to make it clear that the device passcode and your fingerprints registered on your Apple device will be treated as card details and security details under the agreement. An Apple Watch will also be treated as a plastic card during periods when it is actively paired with an Apple iPhone and is enabled to make payments. This will mean that the consequences of failing to keep them safe will be the same as for all other card details and security details (for example, we may not be liable to refund you for unauthorised transactions where you consent to them being used by others).

Your agreement will also be changed to make it clear that, consenting to another person using your device by allowing them to register their fingerprint in your device will be treated as you failing to keep your card details and security details safe.

You must tell us straight away using the telephone numbers on the back of your plastic card if your Apple device is lost or stolen or if you believe someone else has used or has discovered your Apple Pay security details or the security of your card has been compromised.

USING YOUR ACCOUNT AND AUTHORISING PURCHASES

In addition to the ways in which your agreement sets out how you can currently authorise payments, your agreement will also be changed to cover authorisation of payments using Apple Pay as set out below.

A digital version of your M&S Bank card will be created and securely stored on an eligible Apple device. All cards stored on that device for use with Apple Pay will be stored within Passbook.

You can authorise a card payment using a card stored on Apple Pay in the following ways:

- at a retailer's premises by holding your Apple device (e.g. your iPhone) within a few centimetres of the card terminal and either placing your finger on the Touch ID on your Apple device or entering your device passcode;

- at a retailer's premises using an Apple Watch which is actively paired with your Apple device, by double clicking the button on the side of your Apple Watch and holding your Apple Watch within a few centimetres of the card terminal;
- to make an "in App" purchase on your Apple device with an Apple Pay participating retailer by selecting pay with Apple Pay and either placing your finger on the Touch ID on your Apple device or entering your device passcode.

If you have stored more than one card in Apple Pay, these will be shown in Passbook and you will select a default card. When you authorise a payment, it will relate to your default card unless you go into Passbook and select a different card.

SUSPENSION OF PAYMENT FACILITIES OR RESTRICTING CARD USE

We already have rights to suspend, restrict or cancel your use of cards under your existing agreement. These rights will be extended to cards you register with Apple Pay.

In addition to those rights, we will also have the right to suspend or restrict the use of a card registered with Apple Pay if:

- the Apple Pay service is no longer available to our customers; or
- if Apple has been notified that your device has been lost or stolen and they take steps to suspend the cards registered in Passbook.

We will change your agreement to make it clear that contactless payment limits may apply to transactions authorised using Apple Pay. This can vary between retailers and payment card terminals that are used. We may therefore refuse a payment transaction if it exceeds the current contactless limit applicable to that specific retailer.

If the account relating to a card registered with Apple Pay is ended, you must delete the card from your device.

AVAILABILITY OF APPLE PAY

Under your existing agreement, we are not liable to you for any loss due to any failure or delay in providing our service caused by causes beyond our control. The Apple Pay service is made available by Apple on compatible Apple devices. M&S Bank does not control the platform or the devices. We will change your agreement to make it clear that this term will apply if you are unable to use Apple Pay or any of your cards within Passbook unless this is as a result of something we have done.

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