

Sparks Pay Agreement Terms and conditions

Credit Agreement regulated by the Consumer Credit Act 1974

We will open your account and give you a virtual card when you have signed and returned this agreement. We can change card schemes in future but, if we do, the terms of this agreement will stay the same.

In this agreement:

'We' are Marks & Spencer Financial Services plc, whose registered office is at Kings Meadow, Chester CH99 9FB.

'You' are

You must tell us immediately if your name, address, telephone number or email address change. The agreement is made up of the key terms and the additional terms.

Credit intermediary: Marks and Spencer Plc, whose registered office is at Waterside House, 35 North Wharf Road, London, W2 1NW.

KEY TERMS

How much can you borrow?

You can borrow up to the credit limit. We will confirm your credit limit after we have signed the agreement. If we change it later, we will tell you before we make the change.

How much do you have to pay each month and when?

We will give you a statement each month showing the minimum payment for that month. Other than your first statement, we may not give you a statement if you do not need to make any payment.

The minimum payment in your first statement will be £0.

After your first statement, the minimum payment will be the higher of:

1. double the interest for the period from the last statement; plus
double the amount of charges for the period from the last statement; plus
1% of the full amount you owe as shown on your monthly statement not including interest and charges; or
2. £5

If you owe less than £5, you must pay the full amount you owe.

For example, if the amount you owe on the statement date is £450 including £15 interest for the period since your last statement and £12 charges for the period since your last statement, your minimum payment will be £30 (double the interest for the period from the last statement) plus £24 (double the amount of charges since your last statement) plus £4.50 (1% of the full amount you owe as shown on your monthly statement). Your minimum payment will be £58.50.

The minimum payment must reach us by the due date shown in your statement. This will be 15 days from your statement date. You can always pay more than the minimum payment to reduce the amount of interest you have to pay. Information about how to make sure payments reach us on time is on the back of the statement.

You must also pay immediately the amount of any missed payments and the amount you owe above the credit limit. If you pay by Direct Debit we will collect these amounts with your minimum payment if you have not paid them already.

You can ask us to collect payments for you (e.g. by Direct Debit). You can choose how much you want to pay each month as long as it is not less than the minimum payment. You must not pay into the account more than you owe us. We will refund any credit on your account. We will not normally allow you to spend it.

If you're on a plan to repay

We know that life doesn't always go to plan and that sometimes things can happen which make it harder to repay what you owe. If you're having trouble making payments, please talk to us. We'll try to help you find a way to repay things in a more manageable way.

We might also contact you about a plan to repay if you've been in what's known as 'persistent debt' for two 18-month periods in a row. This is to help you repay the amount you owe over a period of up to four years. We explain more about persistent debt later.

If you're on a plan to repay, we'll let you know what you'll need to pay and by when – the minimum payment and the due date.

How much does it cost to borrow?

We charge interest from the date each transaction or charge is added to your account until the amount you owe us has been repaid in full. We work out interest on a daily basis and add it to the account on your monthly statement date. If you pay at least the minimum payment each month you will pay off all the interest added to the account that month but if you don't, we will charge interest on that interest as well as on transactions added to your account.

There are three exceptions to this:

1. We do not charge any interest on default charges.
2. We do not charge interest on any purchases shown in your first statement if you repay the full amount you owe us on that statement by the payment due date shown in your second statement.

If you take out Sparks Pay on 1 Jan, and you repay the full amount shown in your January statement by your second payment date shown in your February statement, we will not charge interest on any purchases shown in your January statement. However, if you do not repay the full

amount shown in your January statement by your second payment due date shown in your February statement, we will charge you interest on any purchases shown in your January statement from the date each transaction is added to your account. This interest will be included in your March statement and will be factored in when calculating the minimum payment requested in your March statement.

- After your first statement, we also do not charge interest on any purchases shown in a statement if you repay the full amount you owe us on that statement date by the next payment due date.

This means that if, for example, you repay in full the amount shown in your July statement by the payment due date shown in your July statement, we will not charge interest on any purchases added to your account and shown in your July statement. However, even if you don't use your account at all after the July statement date, there may still be 'trailing' interest shown in your August statement. This will be interest we have charged on any amounts carried over from your June statement.

We also charge interest on trailing interest so even if you pay the trailing interest in full in September we may charge further interest on the account.

Default charges

Reason for the charge	Charge	Added to the account
For paying late	£12	Up to 4 days after the date you should have made the payment
For payments which are returned unpaid	£12	When your bank tells us it can't make the payment
For enforcing repayment, including legal and tracing costs	Our reasonable costs	When we apply for enforcement

We do not know when this agreement is made how much you will actually pay, or the cost, because this depends on how much you borrow, how quickly you repay it and whether we make any changes to interest rates or charges or other terms (e.g. if we increase the minimum monthly payment). For this reason, regulations require us to assume when we work out the APR and total amount payable that the credit limit is £500, you spend the full amount on a purchase when the account is opened and you repay it, with interest at the standard rate for purchases stated in this agreement, by 12 equal monthly payments.

Can we change the cost of borrowing or any other terms?

Changes to terms that are personal to you

If we change our view of your ability to repay us because of information we get from credit reference agencies or the way you manage the account (for example because you often pay us or other lenders late), we may change the rates that apply to you (unless we are aware that you're at risk of financial difficulties) and we may reduce your credit limit.

Other changes to the credit limit

From time to time we may tell you that a higher credit limit is available to you and you can ask us to consider giving you a higher credit limit. You can also contact us to tell us:

- you'd like a lower credit limit;
- you don't want to receive any future credit limit increases; or
- never to increase your credit limit without checking with you first

(and you can change your mind at any time).

A higher credit limit may offer greater flexibility and convenience to meet your financial needs but it may also increase the risk of borrowing too much, which could be expensive or take a long time to pay off. You should carefully consider whether you need a higher limit.

Changes to rates, charges and other terms for particular reasons

We may also:

- increase or decrease rates and charges to take account of an actual, or reasonably expected, change in the interest rates we have to pay for example as a result of a change to the Bank of England base rate; or
- increase or decrease our rates and charges and change any other terms to reflect an actual, or reasonably expected, change in our underlying costs or in law or regulation or to our way of doing business, including the introduction of new technology; or
- change any term to reflect any other actual or reasonably expected change that affects us if it is reasonable for us to pass the impact of the change on to you; or
- if you are employed by us, change the interest rates and charges to our standard rates and charges when your employment ends (except if you retire).

Any change we make will be reasonably proportionate to the impact of the underlying change on us. We will not make changes to cover the same cost twice.

Other changes

As this agreement has no fixed end date, we may also change rates and charges and other terms for reasons that we cannot predict at the outset.

Telling you about changes

We'll tell you about the change and how it'll affect you before we make it. How much notice we give you depends on the change we're making:

Reducing your credit limit where we have concerns about whether you can repay us	All other changes
7 days	At least 30 days

We will do this by including a message in your monthly statement, by writing to or emailing you separately or by sending you a mobile message or message using any secure storage facility we provide online.

Your rights when we tell you about changes

If you do not want to accept any change we tell you about, you can end the agreement without charge (in fact you can end the agreement at any time). The change will still apply until you have paid everything you owe us. However, if the change is an increase to an interest rate, you can repay what you owe us at the unchanged interest rate if you tell us within 60 days of notice of the increase that you do not want to accept the higher rate.

When will the agreement begin and end?

The agreement will begin when we have opened the account linked to your virtual card. The agreement does not have a fixed end date but you and we can end it as explained below. You will normally be able to use the account when we have given you a virtual card.

Can you change your mind?

You can withdraw from this agreement (without giving any reason) by giving us written notice or calling within 14 days, starting the day after we confirm that we have signed the agreement. To tell us that you want to withdraw, please use the details under 'important information' below.

You must repay the amount you have borrowed within 30 days, starting the day after you tell us that you want to withdraw, with interest at the relevant rate or rates up to the date you repay. If you ask us we will tell you how much interest is payable per day. You can repay by calling us.

Can you make a claim against us where you have a claim against Marks and Spencer plc?

If you purchase any item of goods or services costing between £100 and £30,000 using credit under this agreement you may have a right of redress against us as well as Marks and Spencer plc if, for example, the goods fail to arrive or are not of satisfactory quality or the supplier made a representation which you relied on about the goods which was not accurate.

What could happen if you miss payments?

Missing payments could make it more difficult to obtain credit and result in legal action or bankruptcy proceedings to recover any debt owed under this agreement.

ADDITIONAL TERMS

Who can use the account and how?

Your virtual card is connected to your Marks and Spencer plc online account in the UK.

You can use the virtual card to make a purchase for goods and services from Marks and Spencer plc in the UK, other than gift cards.

How do you authorise payments?

You can access and use the virtual card by logging on to your Marks and Spencer plc online account in the UK.

When you make a transaction it must be authorised before we can charge it to your account.

You may need to provide the virtual card or the card number of the virtual card and will be told the additional steps needed to authorise the payment (except for some low value contactless payments). This could be by signing a paper or electronic document, by using the personal identification number (or PIN), biometric data (such as finger print), password or other security details we may agree from time to time.

If the virtual card, card number of the virtual card and PIN, biometric data, password or other security details have been used we will assume the transaction has been authorised by you. You must therefore tell us immediately if you do not recognise a transaction charged to your account and shown in your statement. You must not:

- use the virtual card or account for any illegal purpose (or allow anyone else to do so); or
- go over your credit limit.

When working out whether a transaction you want to make is within your credit limit, we take account of transactions which we have already authorised but have not yet charged to the account.

If you allow someone else to use a virtual card or the card number of a virtual card, you will be liable for all transactions they make until you tell us that the virtual card may be misused using the contact details set out below. You will not be liable for (and we will immediately refund) any other transactions not authorised by you including transactions made with the virtual card or card number of the virtual card remotely (for example by the Internet, phone or mail order).

When will we give refunds for payments you have authorised?

If Marks and Spencer plc gives you a refund for a purchase we will only credit it to the account when we receive details from Marks and Spencer plc. Until then we will charge the relevant rate of interest on the purchase.

Can you stop payments you have authorised?

You can cancel payments which are due to be made on a future date (for example, if you set up a regular payment) by contacting us by the end of the business day before the payment is due to be made (normally 5pm). You must also contact the retailer to tell them you have cancelled the payment.

You cannot cancel any other transaction after you have authorised it (for example, it's not possible to cancel a payment for goods or services provided at the time of payment).

Can we refuse to authorise a transaction or suspend your right to use the account?

We may refuse to authorise a transaction and cancel or suspend use of the account and refuse to replace or reissue a virtual card if authorising the transaction would cause a breach of this agreement or put us in breach of any legal requirements that apply to us or we reasonably:

- believe that there is a significantly increased risk that you may not be able to repay the amount you owe us (this could be because of the way you manage this account or other accounts you have with us, information we get from credit reference agencies or us finding that you are bankrupt or have made an arrangement with your creditors);
- suspect fraudulent or unauthorised use of the account;
- consider it necessary for the security of the account or virtual card;
- suspect that you or any third party has committed or is about to commit a crime or other abuse in connection with use of the card or the account.

You may be asked for further information, including verification of your identity, when we are asked to authorise a transaction.

We can also cancel or suspend the use of the account if:

- for two 18-month periods in a row, you've been in "persistent debt" (This is when you've paid more interest, fees and charges than the amount you've repaid); and
- you have either not responded or been unable to meet our requests to increase your repayment amounts, or
- it is otherwise reasonable for us to do so.

We will tell you if we refuse to send a payment but for other transactions, you will usually find out if we have refused a transaction because you will be asked for payment by another card, cheque or cash. We will tell you why we have refused the transaction (unless the law prevents us) if you call the contact details below.

We are not responsible if Marks and Spencer plc refuses to accept your virtual card.

How do we apply payments?

If the amount you pay in a month is less than the full amount you owe, we will apply your payment first to any unpaid arrears or amounts over the credit limit.

We apply what is left in this order:

First: up to the minimum payment.

Second: to the rest of the amount you owe us and shown in your statement.

Third: to any transactions, interest or charges not yet included in a statement.

If some amounts are charged at the same interest rate, we will apply your payment to the oldest amounts first.

Payments into your account by mistake or fraud

If we make a payment into your account by mistake or as a result of a systems error, we'll automatically take the amount out of your account. If we suspect a payment into your account was the result of fraud, we'll remove it.

If we're told that a payment from within the European Economic Area (EEA) was made into your account through someone else's mistake (for example if the payer gave the wrong account number), but, when we contact you, you tell us the payment was intended for you, we are legally required to share all relevant information including your name and address and transaction information with the bank the payment came from, if they ask us, so that the payer may contact you.

In all other cases we'll tell you about it and, depending on how long ago the payment was made into your account, we'll either give you time to show us that it was intended for you before we return it or we'll get your consent. During this time we'll make sure you can't use the payment (we might do this by taking the amount out of your account or by limiting access to the amount on the account).

What steps do you need to take to keep your account secure?

You must:

- take all reasonable precautions to prevent the account from being used for fraud (when we send you a virtual card, we will tell you what precautions you can take. For example, not telling anyone the password to your Marks and Spencer plc online account through which you access your virtual card. Or not making it easy for someone else to find it);
- tell us immediately using the contact details below if you think your account or virtual card has been compromised. For example, someone else has accessed your Marks and Spencer plc online account through which you access your virtual card. Or the virtual card has been used fraudulently.
- If your account has been compromised, you must change your log-in details and co-operate with us, Marks and Spencer plc, and the police to investigate any unauthorised transactions.

How and when can this agreement be ended?

Ending the agreement on notice

You can end this agreement at any time and without charge by giving us notice. We can end the agreement by giving you 2 months' notice in writing. In either case, you must stop using the account and if we provide any benefits with your card, they will also end. The agreement will continue until you have repaid everything you owe.

Ending the agreement for breach

If:

- a) you repeatedly fail to pay minimum payments on time or go over your credit limit; or
- b) we find that any information you provided as part of your application was materially incorrect or misleading; or

- c) you are declared bankrupt or have similar proceedings taken against you; or
- d) we reasonably suspect any fraud or other criminal activity in connection with this agreement and/or any other facility or account that you have with us;

we can:

- i) demand immediate repayment of the amount you owe on the account;
- ii) disclose information about you and the conduct of your account to licensed credit reference agencies (which would make it more difficult for you to borrow in future);
- iii) restrict access to credit on other accounts you have with us (such as an overdraft or other credit cards);
- iv) bring legal action to recover what you owe us (which could include getting a court order giving us the right to payment out of the sale proceeds for your home or other property); and
- v) require you to pay our reasonable costs and expenses for taking action to obtain payment, including legal costs;

but we will give you advance notice and the opportunity to fix the problem before taking any of these steps (unless the problem cannot be fixed).

If we choose not to enforce our rights under this agreement at any time, we may enforce them at a later date instead.

Can we transfer our rights and obligations under this agreement?

We may transfer our rights and our obligations under this agreement to a third party, including information about you and how you have managed your account which the third party needs to know. We will tell you if we do this.

What law governs this agreement?

This agreement and our dealings with you before the agreement is made are governed by the laws of England and Wales. Any dispute can be dealt with by an English or Welsh court unless your address is in:

Scotland (where it will be dealt with by the courts of Scotland); or

Northern Ireland (where it will be dealt with by the courts of Northern Ireland).

We will communicate with you at all times in English.

What happens if you cannot make a payment or access your account?

We will not be liable for any loss due to:

- a) any failure or delay in providing our service caused by strikes, industrial action, failure of power supplies or computer equipment, or other unusual or unforeseeable causes beyond our reasonable control; or
- b) Marks and Spencer plc not accepting your virtual card, or the way in which this is conveyed to you.

Information we need from you and when we can disclose information about you

If we make a reasonable request for information, you must give it to us as soon as possible. If you don't give it to us, or if we suspect fraudulent or criminal activity of any kind:

- a) you might not be able to carry on doing some or all of your banking with us anymore;
- b) we might try to get it from another source, ourselves; or
- c) we could block or close your account(s).

It's up to you to make sure the information you give us is accurate and up to date. And you must tell us if anything changes, within 30 days.

We'll use your information as explained in our Privacy Notice. In addition, we'll give it to others if we're compelled to do so by law, we have a public duty to disclose it, we need to disclose to protect our own interests (for example in any legal proceedings) or if we have your specific agreement. For example, if we believe you may have tax obligations in other countries, we may have to disclose information about you directly to HM Revenue & Customs (HMRC) or other local tax authorities.

Tax compliance

Your tax responsibilities (e.g. filing tax returns, paying tax and complying with any other tax laws or regulations) depend on where you live, where you do business and some other factors. It's up to you to make sure you meet these obligations. We can't provide tax or legal advice so if you think having an account with Marks & Spencer Financial Services plc might affect your tax position, you should speak to an independent advisor. This also applies to connected persons e.g. anyone you send a payment to, who operates an account for you, is entitled to money in your account(s) etc.

IMPORTANT INFORMATION

How to contact us

If you need to update your contact details, ask for information, tell us that you want to withdraw from the agreement or make a complaint please:

- write to Marks & Spencer Financial Services plc, PO Box 3848, Chester CH1 9FJ or
- call 0345 900 0900.

We and our authorised agents and representatives may record and/or monitor telephone conversations with you so that we can maintain our service standards.

How we'll communicate with you

We'll communicate with you in English.

We may give you notices or other information about Sparks Pay, for example, in your monthly statements (in paper and electronic).

We'll use the most recent contact details you've given us which could include your post and email address, telephone and mobile numbers. If we need to contact you about any actual or suspected fraud or security threats, we'll do this using the fastest and most secure way of contacting you (for example, we may try to send a text message rather than telephone).

If you have given us your mobile phone number or email address, we'll register you for free alerts so we can send you messages about certain activity on your Sparks Pay account.

We are legally required to send some alerts, but you can opt out of getting other alerts. You can opt out by calling us on 0345 900 0900.

How can you make a complaint?

If we do not give the standard of service you expect, or if you think we have made a mistake, please let us know so we can investigate, put matters right and take steps to prevent it happening again.

If you are not happy with the way that we deal with your complaint, you may be able to refer your complaint to the Financial Ombudsman Service by writing to Financial Ombudsman Service, Exchange Tower, London E14 9SR, calling 0800 023 4 567 or 0300 123 9 123 or sending an email to complaint.info@financial-ombudsman.org.uk. You can find out more about the Financial Ombudsman Service on their website at www.financial-ombudsman.org.uk.

Direct Debit Guarantee



The following Direct Debit guarantee applies to customers opting to make repayments by Direct Debit.

- The Guarantee is offered by all banks and building societies that accept instruction to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit M&S Bank will notify you (normally 10 working days) in advance of your account being debited or as otherwise agreed. If you request M&S Bank to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit, by M&S Bank or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society. If you receive a refund you are not entitled to, you must pay it back when M&S Bank asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify M&S Bank.

Taxes

Taxes or costs may apply to you that are not charged by us and/or will not be paid through us. If we have to pay any tax or duty for providing credit to you, we will charge you the amount of that tax or duty.

Copies

You may at any time during the term of this Agreement request a copy of this Agreement.

How we are authorised

M&S Bank is a trading name of Marks & Spencer Financial Services plc and is established and has its registered office at Kings Meadow, Chester, CH99 9FB. We are a financial services organisation and banking institution authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 151427.

You can check these details by visiting the Financial Conduct Authority website www.fca.org.uk or by contacting the Financial Conduct Authority on 0800 111 6768. The Financial Conduct Authority is the supervisory authority under the Consumer Credit Act 1974. Its address is 12 Endeavour Square, London, E20 1JN.