

Overdraft pricing

Chapter 5C

Overdraft pricing



5C.1 Application and purpose

Purpose

5C.1.1

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The purpose of this chapter is to:

- (1) require *firms* to implement and maintain overdraft charging structures that are simple, transparent and capable of easy comparison; and
- (2) forbid *firms* from obliging a *customer* to pay a rate of interest for an unarranged overdraft which exceeds the rate of interest for an arranged overdraft that is relevant to that *customer*.

Who and what?

5C.1.2

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- (1) Subject to (2), this chapter applies to a *firm* with respect to *consumer credit lending* and connected activities in relation to arranged overdrafts and unarranged overdrafts associated with personal current accounts.
- (2) This chapter does not apply to:
 - (a) a *firm* if all personal current accounts provided or offered by the *firm* are excluded accounts;
 - (b) a *firm* in respect of any personal current account which may be used for a currency other than a currency of the *United Kingdom*;
 - (c) a private bank; or
 - (d) a *credit union*.

Where?

5C.1.3

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This chapter applies to a *firm* with respect to activities carried on from an establishment maintained by it in the *United Kingdom*.