

Virgin Fixed Rate Bond

Key product information

northern
rock

works for me

A fixed return on your money

Now Northern Rock is part of Virgin Money we've launched a new range of Virgin savings products.

Here is some important information about our Virgin Fixed Rate Bonds to help you decide whether these accounts are right for you. You should read this sheet carefully together with the full Savings Terms and Conditions and keep it safe, so you can check it again if you need to. If you have any questions, just talk to us at your local Northern Rock branch or call us on **0845 600 1568***.

These Virgin Fixed Rate Bonds are provided by Northern Rock. Any deposits made into these accounts are covered by the Financial Services Compensation Scheme (FSCS) up to £85,000 across all the eligible depositor's accounts with Northern Rock plc. For further information about the scheme refer to the FSCS website www.FSCS.org.uk.

Key product information for our Savings Accounts

Account Name	Virgin Fixed Rate Bond Issue 1					
Interest rates (AERs)	Rates effective from 1 February 2012 on balances of £1+					
	Annual interest			Monthly interest		
	% Gross	% Net ¹	% AER ²	% Gross	% Net ¹	% AER ²
	3.00	2.40	3.00	2.96	2.36	3.00
	<ul style="list-style-type: none">▪ Rates are fixed until 1 March 2013. Thereafter your account will earn a variable rate of interest. We will write to you before your bond matures to advise you of the options available to you.▪ Once this issue is withdrawn no further deposits will be accepted.▪ Where the balance falls below £1, interest will be earned at the prevailing basic rate, currently 0.10% gross p.a.					
Tax status	Interest will be paid net ¹ (after tax) or, subject to the required certification, gross (before tax). If you wish to register for gross interest you will need to complete a HM Revenue & Customs form R85.					
Conditions for bonus payment	Not applicable.					
Withdrawal arrangements	Early closure or withdrawals are not permitted until 1 March 2013.					
Access	Branch ³ or post via Head Office.					

Key product information for our Savings Accounts

Account Name	Virgin Fixed Rate Bond Issue 2					
Interest rates (AERs)	Rates effective from 1 February 2012 on balances of £1+					
	Annual interest			Monthly interest		
	% Gross	% Net ¹	% AER ²	% Gross	% Net ¹	% AER ²
	3.30	2.64	3.30	3.26	2.60	3.30
	<ul style="list-style-type: none">▪ Rates are fixed until 1 March 2015. Thereafter your account will earn a variable rate of interest. We will write to you before your bond matures to advise you of the options available to you.▪ Once this issue is withdrawn no further deposits will be accepted.▪ Where the balance falls below £1, interest will be earned at the prevailing basic rate, currently 0.10% gross p.a.					
Tax status	Interest will be paid net ¹ (after tax) or, subject to the required certification, gross (before tax). If you wish to register for gross interest you will need to complete a HM Revenue & Customs form R85.					
Conditions for bonus payment	Not applicable.					
Withdrawal arrangements	Early closure or withdrawals are not permitted until 1 March 2015.					
Access	Branch ³ or post via Head Office.					

Important savings information

How much can I save?

Minimum to open: £1

Minimum additional deposit: £1

Maximum deposit limit: £500,000

This product is a strictly limited issue and can be withdrawn at any time, once withdrawn there is a very limited window to make any deposits. If you wish to make deposits to this product we recommend that you arrange this immediately to avoid disappointment. We will not contact you to let you know when any product is withdrawn. Any payments received after this product has been withdrawn will be returned to you.

If a deposit results in your account going over this limit we will return the additional funds to you. This does not include any interest you have asked to be added direct to your account.

Each customer can save up to a total of £2 million with Northern Rock.

Opening your account

Please note, we are required to confirm the identity of all customers who open an account. You may not be required to send proof of identity with your application as we may be able to verify your identity using our electronic identification system. However, you may be asked to supply identification at a later date.

- This account can be opened by permanent UK residents aged 16 and over
- It can be held individually or jointly by up to four people
- Once this issue is withdrawn, no more deposits will be accepted
- You can apply for a Virgin Fixed Rate Bond account at any Northern Rock branch, online at northernrock.co.uk, by post or by telephone

How often is interest paid?

You can choose to have your interest paid either annually or monthly.

Annual interest is paid on 31 January. If this is not a business day, it will be available the next business day. Following your final annual interest payment, any additional interest earned after this date will be added to the capital balance and paid upon closure of the account.

Monthly interest is paid on the last day of each month. If this is not a business day, it will be available the next business day.

It can be added to your Virgin Fixed Rate Bond, transferred into any Northern Rock account (except Cash ISAs or, if your existing terms and conditions do not allow) or paid into an account with another bank or building society.

Adding to your account

You can make a deposit to your account whilst the issue is still available with any amount from £1 by:

- cash – branch³ only;
- cheque (in the interests of security, please make your cheque payable to Northern Rock, for the account of [insert account holder(s) name(s)]" and crossed "A/c Payee only"). Cheques drawn in foreign currency or drawn on a foreign address cannot be accepted;
- transfer from an existing Northern Rock account, subject to the terms and conditions of that account; or
- once we provide you with your account number you can arrange an electronic transfer (BACS, CHAPS, FPS or Standing Order) from your bank or building society account. If you open your account via the telephone or online you can only open with a nil balance.

The following details need to be quoted for a BACS, FPS transfer and Standing Order:

- Northern Rock sort code: 08-61-15
- Account number: 00000515
- Reference: your Northern Rock account number.

The following details need to be quoted for a CHAPS transfer:

- Northern Rock sort code: 08-02-65
- Account number: 50048407
- Reference: your Northern Rock account number and your name.

Taking money out

Early closure or withdrawals are not permitted during the fixed rate period.

Can I cancel my Virgin Fixed Rate Bond?

You are unable to cancel or close this account once it is opened.

After the fixed rate period

After the fixed rate period your account will become a variable rate account.

We will write to you before the end of the fixed rate period to let you know the options available to you, as well as advising you of the interest rate currently payable on the variable rate account.

Keeping you informed

On opening your account, we will send you a Welcome Pack with details of your account number and opening balance. We'll also send a statement automatically if you have made any transactions.

If you make no further transactions, we will send you a statement annually and on closure of the account.

Remember

This is the Key product information sheet as referred to in the Savings Terms and Conditions.

This account is classed as a non-payment account, which means making payments in and out of your account may be restricted. For example, you may be unable to make withdrawals during the fixed rate period.

We have to tell HM Revenue & Customs about how much interest each saver receives. That's why it's important to include the amount of interest paid on your annual income tax return, if you complete one. If you are not a taxpayer, you may be eligible to have your interest paid gross. Before we can pay you gross interest, you must fill in HM Revenue & Customs form R85 for each account holder and for each account – even if you have filled one in for another account in the past. You can get HM Revenue & Customs form R85 and notes on who qualifies for gross interest at any Northern Rock branch or from your local tax office. Please note, the tax treatment and rate of interest payable depend on the individual circumstances of each customer and may change in the future.

Alternative format

If you require this in an alternative format such as Braille, large print, audio or require interpreter services, please call our Disability Awareness Team on 0191 279 5300. Lines are open 9am to 5pm business days and are charged at your service provider's prevailing rate. Alternatively, our text phone number is 0191 279 8505 or you can contact us at disability.awareness@northernrock.co.uk. These contact details should not be used for general enquiries relating to your account.

Important information about compensation arrangements

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the **combined** amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.FSCS.org.uk or call 0800 678 1100 or 020 7741 4100. Please note, the telephone numbers quoted above should not be used for general enquiries relating to your account.

Deposits in your account are held with Northern Rock plc. Northern Rock plc operates under the trading names of Northern Rock and Virgin Money. Virgin Bank Limited (registered in England and Wales under registration number 980698) has permission to take deposits and also operates under the trading names of Virgin Money and Church House Trust. Northern Rock plc and Virgin Bank Limited are both wholly owned subsidiary companies of Virgin Money Holdings (UK) Limited (registered in England and Wales under registration number 3087587).

An eligible depositor's £85,000 limit relates to their combined deposits with Northern Rock plc. An eligible depositor who may also have deposits with Virgin Bank Limited under the Virgin Money or Church House Trust trading names will be separately covered up to the existing compensation limits by the FSCS for those deposits.

Complaints

If you have a complaint, please let us know as soon as possible so that we can look into it for you. You can write to the Customer Relations Team, Northern Rock plc, Gosforth, Newcastle upon Tyne NE3 4PL or email customerrelations@northernrock.co.uk. If we aren't able to put things right to your satisfaction, you have the right to refer your complaint to the Financial Ombudsman Service for independent adjudication. If you'd like a copy of our Internal Complaint Procedures leaflet, this is available on request.

Lost and stolen account documentation

Please contact us if you suspect or discover that your details have been lost or stolen or you suspect fraud.

Call 0845 600 7301 or 0191 279 4405*

¹ Net is the annual rate of interest payable after deduction of basic rate income tax (currently 20%). Interest will be paid net or, if we receive the necessary declaration from you, gross. Where the tax deducted exceeds your tax liability (if any) you may make a repayment claim to HM Revenue & Customs. If your income falls within the basic rate band the tax deducted will match your tax liability on the interest and you will have nothing further to pay. If you are liable to tax at the higher rate(s) you will have an additional tax liability. For more information please visit www.hmrc.gov.uk/individuals/babsi.htm.

² AER stands for Annual Equivalent Rate and shows what the interest rate would be if interest was paid and added to the capital balance each year.

³ Not all of our branches can offer a full banking service. Any facility which is not available at your local branch, excluding cash deposits and general cash transactions, can be processed at our Head Office. Please refer to your local branch for further details.

* Our UK-based contact centre is open 8am to 8pm business days, 8am to 4pm Saturday and 10am to 3pm Sunday. Calls are charged at your service provider's prevailing rate and may be monitored and recorded.

Northern Rock plc – Registered in England and Wales (Company No. 6952311). Registered Office – Northern Rock House, Gosforth, Newcastle upon Tyne NE3 4PL. Authorised and regulated by the Financial Services Authority.

