

Virgin Fixed Rate Cash ISA

Key product information

northern
rock

works for me

A fixed rate of tax-free interest

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 Fixed Rate Cash ISAs 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***.

This Virgin Fixed Rate Cash ISA is 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 Cash ISA Issue 5																
Interest rates (AERs)	<table><thead><tr><th colspan="4">Rates effective from 12 March 2012 on balances of £1+</th></tr><tr><th colspan="2">Annual interest</th><th colspan="2">Monthly interest</th></tr><tr><th>% Tax-free¹</th><th>% AER²</th><th>% Tax-free¹</th><th>% AER²</th></tr></thead><tbody><tr><td>3.00</td><td>3.00</td><td>2.96</td><td>3.00</td></tr></tbody></table> <ul style="list-style-type: none">▪ Rates are fixed until 15 March 2013. Thereafter your account will become a variable rate Cash ISA.▪ Where the balance falls below £1, interest will be earned at the prevailing basic savings rate, currently 0.10% tax-free¹ p.a.▪ Additional deposits are accepted for any amount from £1 up to the maximum investment, currently £5,340. This amount does not include Cash ISA subscriptions in respect of previous tax years transferred in from other providers or an existing Northern Rock Cash ISA, which are allowed regardless of the balance.▪ To ensure funds are accepted into your new account we must receive all funds within 30 days from your account opening date. Any deposits received after 30 days may be returned to you. This includes any funds transferred in from existing Cash ISAs, therefore please ensure that you initiate any Cash ISA transfers in as soon as you receive your new Cash ISA details. After the 30 day period you may not be able to make any additional deposits into this Cash ISA.▪ Subscriptions are not allowed to any other Cash ISAs in the same tax year(s) that you subscribe to this Cash ISA, even if you have not used your full annual allowance(s). Current year's subscriptions can be transferred too, these count towards the annual allowance of £5,340.	Rates effective from 12 March 2012 on balances of £1+				Annual interest		Monthly interest		% Tax-free ¹	% AER ²	% Tax-free ¹	% AER ²	3.00	3.00	2.96	3.00
Rates effective from 12 March 2012 on balances of £1+																	
Annual interest		Monthly interest															
% Tax-free ¹	% AER ²	% Tax-free ¹	% AER ²														
3.00	3.00	2.96	3.00														
Tax status	Interest is paid tax-free ¹ .																
Conditions for bonus payment	Not applicable.																
Withdrawal arrangements	<ul style="list-style-type: none">▪ Withdrawals within the fixed rate period are subject to a charge equivalent to 60 days' loss of interest on the amount withdrawn.▪ Minimum withdrawal amount of £1 (or less if closing).																
Access	Branch ³ or post via Head Office.																

Key product information for our Savings Accounts

Account Name	Virgin Fixed Rate Cash ISA Issue 6			
Interest rates (AERs)	Rates effective from 12 March 2012 on balances of £1+			
	Annual interest		Monthly interest	
	% Tax-free ¹	% AER ²	% Tax-free ¹	% AER ²
	3.30	3.30	3.26	3.30
	<ul style="list-style-type: none"> ▪ Rates are fixed until 15 March 2015. Thereafter your account will become a variable rate Cash ISA. ▪ Where the balance falls below £1, interest will be earned at the prevailing basic savings rate, currently 0.10% tax-free¹ p.a. ▪ Additional deposits are accepted for any amount from £1 up to the maximum investment, currently £5,340. This amount does not include Cash ISA subscriptions in respect of previous tax years transferred in from other providers or an existing Northern Rock Cash ISA, which are allowed regardless of the balance. ▪ To ensure funds are accepted into your new account we must receive all funds within 30 days from your account opening date. Any deposits received after 30 days may be returned to you. This includes any funds transferred in from existing Cash ISAs, therefore please ensure that you initiate any Cash ISA transfers in as soon as you receive your new Cash ISA details. After the 30 day period you may not be able to make any additional deposits into this Cash ISA. ▪ Subscriptions are not allowed to any other Cash ISAs in the same tax year(s) that you subscribe to this Cash ISA, even if you have not used your full annual allowance(s). Current year's subscriptions can be transferred too, these count towards the annual allowance of £5,340. 			
Tax status	Interest is paid tax-free ¹ .			
Conditions for bonus payment	Not applicable.			
Withdrawal arrangements	<ul style="list-style-type: none"> ▪ Withdrawals within the fixed rate period are subject to a charge equivalent to 120 days' loss of interest on the amount withdrawn. ▪ Minimum withdrawal amount of £1 (or less if closing). 			
Access	Branch ³ or post via Head Office.			

keyfacts[®]

Important savings information

This document provides you with key information about Cash ISAs so that you can make an informed and confident choice about saving with a Northern Rock Cash ISA. This forms your Key Facts Document.

What is a Cash ISA?

The Individual Savings Account (ISA) is an account for savings and investments whereby any income and capital growth is free from UK personal Income and Capital Gains Tax. ISAs were first introduced by the government on 6 April 1999 and replaced the Tax Exempt Special Savings Account (TESSA) and Personal Equity Plans (PEPs). The interest, income or profit received on an ISA are tax-free (this favourable tax treatment may not be maintained on the account depending on government regulation). Your allowance can be spread across two types of ISA, Cash ISAs and Stocks and Shares ISAs. You may have a different provider for each component within the same tax year.

Types of ISA

There are two basic types of ISA available: Cash ISA and Stocks and Shares ISA.

Currently up to £5,340 per tax year can be invested into a Cash ISA and up to £10,680 into a Stocks and Shares ISA. For example, you can invest:

- £5,340 into a Cash ISA and £5,340 into a Stocks and Shares ISA; or
- £0 into a Cash ISA and £10,680 into a Stocks and Shares ISA; or
- £2,000 into a Cash ISA and £8,680 into a Stocks and Shares ISA.

In any tax year you can only subscribe to one Cash ISA and one Stocks and Shares ISA. However, Northern Rock only offer Cash ISAs and do not offer Stocks and Shares ISAs.

How much can I save?

Minimum to open: £1

Minimum additional deposit: £1

Maximum deposit limit: Each tax year you can pay in up to your annual tax-free allowance, which is currently £5,340

In addition to this you can also transfer previous tax years Cash ISA subscriptions.

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. If you are opening your account by post at our Head Office you will not be required to send proof of identity with your application as we can 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 UK residents aged 16 years and over
- You can only open an account individually – joint accounts are not allowed
- Crown employees serving overseas and those married to, or in a civil partnership with a Crown employee serving overseas are also able to invest in a Cash ISA
- By opening a Cash ISA you limit the amount of tax-free savings you can make in Stocks and Shares ISAs
- This is a limited issue account
- You can only subscribe to one Cash ISA in each tax year, up to the current tax-free savings allowance of £5,340 per tax year
- If you open your account by cheque and this cheque is returned unpaid, we may have to close your account and ask you to fill in a new application form. Any unpaid cheques will not count towards your subscription limit in that tax year
- Accounts operated as Power of Attorney cannot be administered or opened online. All transactions and enquiries must be made via post
- You can apply for a Virgin Fixed Rate Cash ISA at any Northern Rock branch, online at northernrock.co.uk, by post or phone

How often is interest paid?

Annual interest is paid on 30 November. If this is not a business day, it will be available the next business day. 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 Cash ISA, 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. 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.

As interest is paid tax-free, no Tax Deduction Certificate can be provided, although we can confirm the amount of interest paid on request.

Adding to your account

You can make a deposit to your account within 30 days from your account opening date 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;
- transfer from an existing Cash ISA with another provider; 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.

There are limits on the amounts you can invest each tax year but access to your funds is not restricted except as detailed in this information. An ISA may become void if invalid contributions are made and we may transfer the account to a non-ISA account which may not pay the same interest rate as the current ISA.

Once you have reached your maximum investment limit for any tax year you will not be able to deposit more money after making withdrawals.

Under HMRC regulations if you do not make any deposits into a Cash ISA for a full tax-year (break in subscriptions), we are required to obtain a new Cash ISA application form from you before any additional deposits can be accepted.

Subscriptions are not allowed to any other Cash ISAs in the same tax year(s) that you subscribe to this Cash ISA, even if you have not used your full annual allowance(s).

Taking money out

On your written instructions and within a time stipulated by you, all or part of your Cash ISA funds and any earned interest can be transferred or paid to you (please refer to the Savings Terms and Conditions for further information).

Any funds withdrawn from a Cash ISA will lose their tax-free status. To ensure you retain this tax-free status, ISA funds must be transferred to another ISA either with another provider or a Northern Rock Cash ISA.

You can withdraw a minimum of £1 subject to the charge for loss of interest on the amount withdrawn. Please refer to the withdrawal arrangements detailed earlier for your chosen specific product.

Simply send your written instruction to our Head Office or you can take money out in the following ways:

- cheque – simply complete a transaction slip and a cheque will be sent promptly to your correspondence address;
- electronic transfer – if possible, we will send your payment by FPS, meaning that we will debit your account the same day or on any future date for which you authorised the payment. The payment should reach your nominated account within a few hours but no later than the end of the next business day;
- if you request a CHAPS withdrawal and we receive your authority and full instructions before 1pm on a business day, the money should be credited to your nominated bank or building society account the same

day. A charge will be made for this type of transfer, please refer to Condition 11 within your Savings Terms and Conditions for details. The minimum you can withdraw by CHAPS is £250 up to the account balance.

To make a withdrawal by CHAPS please provide us with the following details:

- Northern Rock account number
- Amount to transfer
- Name of bank or building society where funds are to be transferred
- Valid sort code
- Account number
- Reference number (where applicable)
- Authority to debit the CHAPS transfer charge; or
- transfer to another Northern Rock account, subject to the terms and conditions of that account.

Transferring your existing Cash ISA

From another provider

If you wish to transfer to Northern Rock, all you need to do is complete an application form and send this together with a Cash ISA transfer authority form. We will then contact your current provider within five business days of the date of receipt and give our confirmation that we will accept the transfer and proceed to arrange the transfer of your funds (subject to the terms and conditions of your existing ISA). On receipt of the transfer from your existing provider we will credit the cheque to your new Northern Rock Cash ISA within three business days of the date of receipt. Interest will be earned from the date of the cheque or day 16 of the transfer process if earlier. Please note, however, under the ISA Regulations it can take up to 15 business days to complete your request to transfer your Cash ISA.

Subscriptions to a Cash ISA can be transferred to another Cash ISA, or to a Stocks and Shares ISA, but subscriptions to a Stocks and Shares ISA can only be transferred to another Stocks and Shares ISA.

Your existing ISA provider must transfer the funds directly into an account with us.

A completed and signed Cash ISA application form is required. Current year subscriptions must be transferred in whole, i.e. part transfers are not permitted.

From another Northern Rock ISA

These transfers will be processed at our Head Office normally within five business days.

To another provider

On your written instructions and within a time stipulated by you, your Cash ISA (partial transfers are permitted from previous tax year subscriptions but your current tax year subscriptions must be transferred in its entirety), with all its rights and obligations, can be transferred to another ISA provider or manager in accordance with ISA regulations relating to transfers. If you request an immediate transfer we will arrange the transfer within five business days of the date of receipt of both your instructions and confirmation from the new ISA manager they are prepared to accept the transfer. If you give notice we will arrange the transfer within five business days of the end of the notice period. Please note, however, under the ISA Regulations it can take up to 15 business days to complete your request to transfer your Cash ISA. There is no charge for the transfer but any transfers during the fixed rate period will be subject to a charge for loss of interest on the amount withdrawn as detailed earlier for your specific chosen product.

After the fixed rate period

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

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.

Can I cancel my Cash ISA?

If you are not happy with your choice of account within 14 days of depositing your ISA subscription, we will help you close your account and you will not lose your right to invest in another Cash ISA or Stocks and Shares ISA for that tax year. If you wish to take advantage of this 14-day rule, we must be advised in writing when you close your account and we will ensure that our reports to HM Revenue & Customs reflect the correct position. If you do cancel your account, the full amount of your investment, together with any interest earned will be returned to you.

Keeping you informed

On opening your account, we will send you a Welcome Pack with details of your account number and opening balance.

We will also send you an annual statement shortly after the end of the fixed rate period and on closure of the account.

General Cash ISA information

ISA regulations

We will notify you if, by reason of any failure to satisfy the provisions of the ISA Regulations, an ISA is or will become void.

We will operate your account in accordance with the ISA Regulations and may do anything necessary to comply with these, including changing your terms and conditions. If you die, tax will be due on any interest earned after the date of death and we may also have to transfer the account to a non ISA which may not pay the same interest rate. You must notify us of any change to residency, which will affect your ability to subscribe to the Cash ISA.

You will be and will remain the beneficial owner of the money in your Cash ISA account. You may not use your Cash ISA account as security for a loan. Your Cash ISA account may not be transferred from one person to another, held in trust or opened in the name of more than one person.

Power of Attorney

We may accept an application form (or a transfer application where an ISA is being transferred) completed and signed by someone legally appointed or authorised to act on behalf of a customer if the customer is not able to complete the application form by reason of:

- Mental disorder or incapacity; or
- Physical disability, illness or infirmity.

The person appointed to act on behalf of the incapable person may be:

- An attorney appointed under an Enduring Power of Attorney (created before 1 October 2007), or Lasting Power of Attorney for property affairs;
- A receiver or deputy appointed by the Court of Protection;
- Someone acting under a court order;
- Someone appointed by a sheriff under an intervention order; or
- A guardian.

The person appointed will have to produce to us a suitable formal document as evidence of their authority.

We accept the following as evidence that the customer is suffering from a mental disorder or incapacity or physical incapacity:

- The registered Enduring Power of Attorney or Lasting Power of Attorney documents or a certified copy of such;
- The appropriate court order; or
- A form BF57 for appointees.

These documents will be reviewed and recorded on our records.

An application form may also be completed and signed by the parent, guardian, spouse, civil partner, son or daughter of a customer who is suffering from a mental disorder.

In these cases we will:

- Request confirmation in writing that the customer is suffering from a mental disorder and the nature of their relationship with the customer (for example mother or wife) and;
- Request documentation to show that the customer is suffering from a mental disorder. Documentation would include letters or payment books that prove that customer is entitled to disability living allowance, severe disablement allowance or Employment and Support Allowance.

Additional information

Whilst our Cash ISAs offer attractive features, they are not based on Stakeholder Standards. Stakeholder Standards are benchmarks that have been set up by the Government to help customers identify simple and low-cost savings e.g. a minimum opening deposit of £10 and unlimited withdrawals.

Please also remember the tax advantages depend on your individual circumstances and the tax treatment of Cash ISAs may change in the future.

We are not able to give you advice on whether or not this product is suitable for you. If you need advice, you should contact a financial adviser.

The Financial Services Authority is the independent financial services regulator. It requires us, Northern Rock plc, to give you this important information to help you decide whether our Cash ISA is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

You should read these Key Features with the terms and conditions, which contain more detailed information about how your Cash ISA will work.

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 have to give notice before being able to make a withdrawal.

Please ensure you have read the Savings Terms and Conditions before you open an account.

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.

Deposits in your account are held with Northern Rock plc. Northern Rock plc operates under the trading names of Northern Rock and Virgin Money. This means that an eligible depositor's £85,000 limit relates to the combined deposits in their accounts with Northern Rock plc and operating under these trading names.

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.

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 The tax-free rate is the contractual rate of interest payable where interest is exempt from income tax.

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.