

# Key Features - Arranged and Unarranged Overdrafts

You should consider this information and any other related documentation we provide carefully. If we give you this in person, you can take it away to consider before entering into an Arranged Overdraft Agreement. If we provide it online, you can download and save it .

## What is an overdraft?

An Arranged or Unarranged Overdraft is a way to borrow money from a bank for short-term use. Here's a quick overview of how they work:

**Arranged Overdraft** – This is a borrowing limit on your account that we agree with you in advance, so it's there when you need it. You'll pay Arranged Overdraft interest on the amount you choose to use. It's repayable on demand, which means you need to repay the outstanding balance at any time although we'll normally give you notice.

You can also use our eligibility tool to find out if you can get an Arranged Overdraft. It won't leave a mark on your credit file. Find it at [virginmoney.com/overdrafts](https://virginmoney.com/overdrafts)

**Unarranged Overdraft** – This is where you borrow from us when there is no money left in your account (or when you have gone past your Arranged Overdraft limit) and this has not been agreed with us in advance. You will pay Unarranged Overdraft interest. .

## Debit Interest Rates

The interest rate is variable and is shown in your Agreement. The costs will depend on how much is used by you and for how long. You can use our simple overdraft calculator to compare the costs of overdrafts, find it at [virginmoney.com/overdrafts](https://virginmoney.com/overdrafts) We'll notify you in advance of the interest which will be applied.

If you don't have enough money in your account to cover a payment or it would take you over your Arranged Overdraft limit we may refuse it and you may be charged a Refusing A Payment Due To Lack Of Funds Fee. You should aim to repay your overdraft borrowing as quickly as possible and use it responsibly as your usage will be reflected in your credit file.

## Consequences of Default

If you go into an Unarranged Overdraft:

- you may have to repay the amount you owe in full if you don't bring yourself back within your Arranged Overdraft or back into credit
- you may be liable for fees and debit interest as described in your account Terms and Tariff
- your credit records may be affected in a way that makes it more difficult or more expensive to obtain further credit
- you may face legal action to recover what you owe and you may have to pay legal costs
- we may take action to enforce any security we hold
- we may use money you have in any other account(s) with us to pay arrears or anything you owe us on the account.

## Cancellation

If you change your mind about taking out an Arranged Overdraft, you have a legal right to cancel it within 14 days from the day after it is available on your account, or from the day you receive your Agreement, whichever is later. If you do want to cancel, you will need to repay any outstanding balance, interest and fees within 30 days of the date you cancel it. You can reduce or remove your Arranged Overdraft at any time by repaying any outstanding balance, interest and fees.

You can cancel, reduce or remove your Arranged Overdraft by calling us on **0800 121 7365**.

If you do not cancel, the Arranged Overdraft will continue until ended by either one of us.

## Overdraft Alerts

Text alerts are a simple way to keep you up-to-date with your accounts. They can help you manage your money, avoid or minimise overdraft charges and also let you know if there's any unexpected activity.

- We'll automatically send you Take Action text alerts to the mobile number we hold for you. If you have an Arranged Overdraft we'll send you one when you start using it. We'll also send you one if you need to pay (or might need to pay) money into your account to allow a payment to go through or bring your account back within any Arranged Overdraft or balance.
- You can use the app or internet banking to opt out of the Take Action alerts or set up others like high/low balance and weekly balance or get your balance when you want it (with your last four transactions).
- If you don't provide us with your mobile number or keep it up to date, you won't receive any text alerts.

Call us on **0800 121 7365** if you'd like to discuss this further.

[www.virginmoney.com/pca](http://www.virginmoney.com/pca)