

Harrods

BANK LIMITED

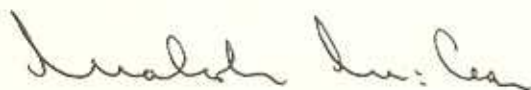
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Unarranged Overdraft Charges

A number of banks have been engaged in a High Court test case with the Office of Fair Trading ("OFT") to decide the legality of unarranged overdraft charges.

On the 8th October 2008 and 21st January 2009, the Court decided that all but one (Nat West) of the banks' charges were incapable of being regarded as penalties, but following Appeal, the Court of Appeal ruled that they were assessable for fairness under the "Unfair Terms in Consumer Contract Regulations 1999". However, this ruling was overturned on 25th October 2009 when the Supreme Court ruled that the charges were not assessable for fairness.

At Harrods Bank Limited, all charges for unarranged overdrafts are assessed according to the work and time involved and do not include any additional penalty. Currently, we have no complaint cases outstanding, but I wish to advise you of the outcome of the test case as part of our obligation to keep you informed on this topical issue.



MALCOLM MCLEAN
General Manager

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