



AL RAYAN BANK



SHARIA COMPLIANCE GUARANTEED

Profit not interest



Banking you can **believe** in

On Demand Savings Account

Special conditions

alrayanbank.co.uk



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Section A: Words with special meanings

The **special conditions** set out below apply to the **On Demand Savings Account**. These **special conditions** are in addition to the **conditions** which apply to **our** banking services generally, copies of which **we** gave **you** when **you** first became a customer (further copies are available from **us** on request). The **conditions** and these **special conditions** form the agreement between us for the provision of an **On Demand Savings Account**. The conditions comprise a separate framework contract for payment services applicable to all accounts. In the event of a conflict between these **special conditions** and the **conditions** these **special conditions** shall apply.

In the sections of this booklet that follow, words are used that have special meanings. **We** have put these special words in bold text to help **you** identify what those special words mean when used in this booklet. **You** should refer to the words with special meanings set out in the **conditions**, as some of those special words may be also used below and are also incorporated. The following are the special words that are used together with their special meanings:

Special word	Meaning
calculation date	The last working day in each month.
calculation period	A monthly period equivalent to a calendar month.
conditions	The terms and conditions that govern your account as set out in the Consumer Banking terms and conditions booklet (non-business customers) and the Business Banking terms and conditions booklet (business customers).
deposit amount	The amount of funds available in your account to be invested by us .

Special word	Meaning
distributable profit	The net income for a calculation period .
gross income	In respect of each calculation period , all of the revenue generated by the pool of funds during such calculation period prior to any deductions being made.
net income	In respect of each calculation period , the gross income less any costs, fees and expenses which are to be deducted pursuant to special condition 3.1 of these special conditions .
our share of profit	The share of profit due to us . The current percentage of our share of profit is 50% of the net income . This is our maximum share of profit but we may in our discretion lower our share of profit .
pool of funds	The pool of funds that belong to you and our other customers and which may also include funds belonging to us which we may include in the pool of funds to be invested together in short term Sharia compliant investments , products or services.
profit stabilisation reserve account	An account into which we will pay all profit stabilisation reserve contributions .
profit stabilisation reserve contribution	In respect of each calculation period , the percentage amount we will deduct from your gross share of profit for payment into the profit stabilisation reserve account .
profit stabilisation reserve contribution cap	The maximum percentage amount we may deduct from your gross share of profit as set out in clause 5.2(d) of these special conditions . We may in our discretion deduct a lower percentage in certain circumstances.
On Demand Savings Account	Your On Demand Savings Account or the “ account ”. The conditions and these special conditions apply to your On Demand Savings Account even if the name on the account or the number changes.

Special word	Meaning
On Demand Savings Account special conditions	The special conditions that govern your On Demand Savings Account set out in this booklet.
Sharia Supervisory Committee	The committee we have established comprising of eminent religious scholars to advise us on the Sharia rules and principles upon which your account and all our products and services will operate.
we, us and our	Al Rayan Bank PLC. Registration No. 4483430. Our registered office is located at 44 Hans Crescent, Knightsbridge, London, SW1X 0LZ.
withdrawal	A withdrawal from your account which is only completed once we have processed your request to pay money out of your account .
working day	Any day on which banks are usually open for business in the United Kingdom, excluding Saturdays, Sundays and bank or other public holidays.
you and your	The person or persons (personal, business, institution, masjid or charity) signing the application form for an account and the words “you” and “your” are to be construed according to the context. If your account is held jointly, these special conditions apply to all of you individually as well as together.
your share of profit	The share of profit due to you after deducting the profit stabilisation reserve contribution from your gross share of profit pursuant to special condition 5.2(d) of these special conditions .
your gross share of profit	The share of profit due to you from the net income after deducting our share of profit , pursuant to special condition 5.2(c) of these special conditions , and before deducting your profit stabilisation reserve contribution .

Section B: On Demand Savings Account

1. Investment of pool of funds

- 1.1 **Our On Demand Savings Account** is a Sharia compliant no notice deposit account of no fixed duration. **You** may make payments into the **account** in accordance with clause 2 below. **You** may withdraw money from the **account** in accordance with clause 2 below without giving **us** prior notice.
- 1.2 **We** categorise **our On Demand Savings Account** as a **payment account** for the purposes of the **conditions**.
- 1.3 **Our On Demand Savings Account** operates on a profit sharing basis (Mudaraba) and is designed to comply with Sharia principles. **Our Sharia Supervisory Committee** will determine what these Sharia principles are. **We** agree to be bound by **our Sharia Supervisory Committee's** decisions and guidance and in opening an **On Demand Savings Account** **you** also agree to be bound by their decisions and guidance. See **our** website for related Sharia rules relating to **your account** issued by **our Sharia Supervisory Committee**.
- 1.4 **We** will invest the **pool of funds** in selected short term Sharia compliant investments at all times ensuring that there are sufficient funds available to allow **you** to withdraw the **deposit amount** or any part of it in accordance with clause 2 below.
- 1.5 In opening an **On Demand Savings Account** **you** acknowledge that **your** money will be consolidated with **our** funds (and the funds belonging to **our** other customers) and will be invested in accordance with these **special conditions**.
- 1.6 To open an **On Demand Savings Account** **you** must be at least 16 years of age.
- 1.7 This **account** is designed for personal (joint), business, institution, masjid and charity customers.

2. Your right to pay money in and to withdraw money from your account

- 2.1 **You** can make payments into **your On Demand Savings Account** by using any of the payment methods described in the **conditions** (where applicable).
- 2.2 **You** can withdraw money from **your On Demand Savings Account** at any time without prior notice to **us** by using any of the methods for withdrawing money described in the **conditions** (where applicable).

3. Operating fees and expenses and profit stabilisation reserve contributions

- 3.1 The **pool of funds** will be subject to deductions for direct costs, fees and expenses incurred in respect of the investment of the **pool of funds**. Such costs, fees and expenses will not exceed the limit set out in clause 5.2(b) of these **special conditions**.
- 3.2 In addition to the deduction of the costs, fees and expenses referred to in **special condition 3.1**, **you** authorise **us** to deduct from **your gross share of profit a profit stabilisation reserve contribution** for payment into the **profit stabilisation reserve account**. Upon such deduction **you** agree that **you** relinquish any right **you** may have to the monies in the **profit stabilisation reserve account**. The **profit stabilisation reserve contributions** made by all **our** customers are made on a combined mutual basis (by **you** and them) in support of improving **your distributable profits** and for the purpose described in clause 6.3 below.
- 3.3 **We** will exercise reasonable discretion as to when amounts in the **profit stabilisation reserve account** may be used to improve **your share of profit** but **we** will always follow the guidance of **our Sharia Supervisory Committee**.
- 3.4 In the event that Al Rayan Bank PLC is placed into liquidation following a court order, the balance in the **profit stabilisation reserve account** will be paid to charitable causes **we** select following guidance from **our Sharia Supervisory Committee**.

4. Our share of profit

Our share of profit will be calculated on each **calculation date** for each **calculation period** and will be determined by reference to the percentage rate set out in clause 5.2(c) of these **special conditions**.

5. Your share of profit

- 5.1 **We** will pay **you** any **deposit profit** gross, without deducting any applicable income or other tax that **you** are required to pay based on **your** income tax bracket. Any savings returns **you** earn above **your** Personal Savings Allowance (PSA) limit will be subject to UK tax and it is **your** responsibility to declare this to HM Revenue & Customs. This means that under the PSA limit, basic rate taxpayers (20%) can earn £1,000 in savings profit tax-free, whilst higher rate taxpayers (40%) receive £500 in savings tax-free per annum. Additional rate taxpayers (45%) do not receive any allowance. Please note that this applies to the total savings returns **you** earn from all banks and building societies, not just Al Rayan Bank.

- 5.2 On each **calculation date** for the relevant **calculation period** **we** will calculate **your share of profit** in the following manner;
- (a) First, **we** will calculate the **gross income**;
 - (b) Secondly, **we** will calculate the **net income** by deducting direct costs, fees and expenses incurred in respect of the investment of the **pool of funds**. The maximum annual percentage that **we** will deduct for such costs, fees and expenses shall be limited to 1.5% of the average balance of the **pool of funds** during the **calculation period**;
 - (c) Thirdly, **we** will calculate **your gross share of profit** by deducting **our share of profit** from **net income**. **Our share of profit** will be limited to a maximum of 50% of the **net income**;
 - (d) Fourthly, **we** will calculate **your share of profit** by deducting a **profit stabilisation reserve contribution**. The maximum percentage that **we** shall deduct will be limited to 20% of **your gross share of profit**;
 - (e) Finally, **we** will credit **your account** with **your** share of profit.

We may from time to time choose to take less than **we** are entitled to take as **our share of profit** and the **profit stabilisation reserve contribution** at **our** discretion. If **we** do so, **we** may take **our** full entitlement on future occasions.

- 5.3 **Your share of profit** is calculated in accordance with this **special condition** 5 and will be presented as an annual gross per annum and will be published as **your** share of profit on **our** website (alrayanbank.co.uk) and/or in **our** branches. The profit rate may change from time to time and such changes will be notified to **you** in accordance with the **conditions** as a change to the target profit rate for the **account**.

6. Profit and loss

- 6.1 It is a Sharia principle that profit sharing **accounts** such as **On Demand Savings** or any other accounts which are operated on the principle of profit sharing involve (1) the potential for **your** capital to make a profit for **you** and (2) the risk that **your** capital could suffer loss in the event of the **pool of funds** administered by **us** returning a loss.
- 6.2 When **your** capital makes a profit **we** shall account to **you** for that profit in accordance with these **special conditions**.
- 6.3 As a matter of English law (which applies to these **special conditions**) and in accordance with **our** constitution in the event that **your** capital suffers a loss, **we** shall seek to reduce the level of **your** loss in the following manner:
- 6.3.1 **We** may forego some or all of the fees chargeable by **us** in respect of the investment of the **pool of funds** for the **calculation period** relevant to **your account(s)**; and

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- 6.3.2 **We** shall draw upon any available balance in the **profit stabilisation reserve account** administered by **us** to make good as much of **your** capital loss as the available balance permits **us** to do.

In accordance with **our** constitution, **our** directors are prevented from declaring any distribution to **our** shareholders unless they are satisfied that there is no shortfall in meeting **your** claim(s).

- 6.4 If the **pool of funds** referable to **your** capital return a loss, **we** shall offer to make good the amount of any shortfall that **you** may have suffered. **We** are required by current UK bank regulations and policy to make this offer to **you**. If **you** choose to accept this offer, **you** shall be entitled to receive payment from **us** of the full amount that **you** had previously deposited with **us**. **You** are entitled to refuse this offer from **us**.
- 6.5 **We** would like to draw **your** attention to the guidance offered by **our** **Sharia Supervisory Committee**. Their guidance is that if **you** accept **our** offer to make good the amount of any shortfall (set out in **special condition** 6.4), **you** will not be complying with Sharia principles.
- 6.6 In certain circumstances **we** may not be able to pay back to **you** the amount that **we** are obliged under these terms and conditions to pay back to **you**. If the terms of the Financial Services Compensation Scheme (FSCS) apply in these circumstances **you** may be able to apply to the FSCS for payment of compensation.
- 6.7 If **you** have suffered a loss in respect of which **we** have made an offer to **you** which **you** have accepted (see **special condition** 6.4), **you** may be able to apply successfully to the FSCS for payment of compensation if **we** fail to make payment to **you** in respect of that loss. If **you** have refused such an offer from **us**, **you** may not be able to apply successfully to the FSCS for payment of compensation in respect of the amount that was previously refused by **you**.

7. Our liability to you

- 7.1 Should **you** suffer a capital loss due to fraud, gross misconduct or gross negligence committed by **us**, then **we** may be obliged, in accordance with Sharia principles, to make good to **you** any such capital loss on **your On Demand Savings Account** out of money held by **us** on behalf of **our** shareholders.
- 7.2 Subject to 7.3 and 7.5 below, **we** will only be liable for the actual amount of any loss, cost or expense which **you** suffer and which is linked directly to anything **we** are responsible for and which **we** could reasonably predict and is not beyond **our** reasonable control. Except where the **account** is operated for personal use, **our** liability pursuant to this clause 7.2 will be limited to the monetary amount of the relevant transaction in relation to the **account** pursuant to which **our** breach of contract or negligence occurred.

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- 7.3 **We** will not be liable to **you** for any losses that are not directly associated with any damages arising from the operation of **your account**, loss of profits, loss of business, loss of goodwill or any form of special damages arising from the operation of the **account** whether such liability was reasonably foreseeable or not and whether or not **we** have been advised of the possibility of such loss being incurred.
- 7.4 Where **you** use any third party aggregation service, **we** will not be liable to **you** for any fraud, mistakes on **your account**, losses that are not directly associated with any damages arising from the operation of **your account**, loss of profits, loss of business, or loss of goodwill resulting from, caused by or associated with such use of any third party aggregation service.
- 7.5 Nothing in this clause 7 excludes **our** liability for fraud by **us**, **our** staff or agents or **our** liability for death or personal injury caused by **our** negligence or the negligence of **our** staff or agents.
- 7.6 Nothing in this clause 7 excludes **our** liability for losses **you** suffer as a direct result of **our** failure to comply with **our** responsibilities under the Financial Services & Markets Act 2000.

8. General provisions

- 8.1 For training and security purposes **we** may monitor and / or record any telephone instruction given or purported to be given by **you**. **Our** recordings shall be and remain **our** sole property.
- 8.2 Statements will be sent to **you** quarterly. **You** can contact **us** for information regarding particular payment transactions at any time after the payment transaction has occurred.
- 8.3 These **special conditions** are provided to **you** in English which is the language **we** will use to communicate with **you** throughout **our** dealings with **you** in relation to **your account**.
- 8.4 **You** have the right to cancel **your account** without charge and without giving any reason, within fourteen (14) calendar days from either the day of opening the **account**; or from the day on which **you** receive the contractual terms and conditions and any other pre-contractual information, if that is later than the date of opening the **account**.
- 8.5 We both recognise and agree that the payment and receipt of interest is against Sharia principles and do not form part of any contractual entitlement in respect of this product. We both agree with each other that neither of us will in any proceedings against the other, claim interest from the other and we both expressly waive and reject any entitlement to recover interest from the other.

9. Statements

Statements will be sent to **you** quarterly. **You** can contact **us** for information regarding particular payment transactions at any time after the payment transaction has occurred. All written communications sent by **you** to **us** regarding **your account** should be sent to **our** office at: Al Rayan Bank PLC, PO Box 12461, Birmingham, B16 6AQ.

10. Telephone Recording

For training and security purposes **we** may monitor and / or record any telephone instruction given or purported to be given by **you**. **Our** recordings shall be and remain **our** sole property.



AL RAYAN BANK

Want to know more
about any of our
products or services?

Call us on:

0800 4083 084*

Monday to Friday, 9am to 7pm.

Saturday, 9am to 1pm.

*Calls may be recorded for training and security purposes.

Visit: alrayanbank.co.uk

Write to: **Al Rayan Bank, PO Box 12461,
Birmingham, B16 6AQ**

Or visit any of our branches.

If we don't get it right

Al Rayan Bank PLC will endeavour to ensure that you receive the highest standard of service and that you are treated with courtesy at all times. If you are unhappy with any aspect of our service, we would like to know why.

For a copy of our Customer Care leaflet dealing with our complaint handling procedures, please call our Customer Care team on 0800 4086 407.

General Data Protection Regulation (GDPR)

Under the GDPR you have the right of access to your records.

Should you wish to access this right please write to:

Data Protection Officer,
Data Subject Access Requests,
Customer Care Team,
Al Rayan Bank PLC,
24a Calthorpe Road,
Edgbaston,
Birmingham,
B15 1RP

Membership of the Financial Services Compensation Scheme

Al Rayan Bank PLC is a member of the Financial Services Compensation Scheme.

This scheme may provide compensation, if we cannot meet our obligations. For example, in respect of deposits with a UK office, payments under the scheme are limited to 100% of the first £85,000 of a depositor's total deposits with the bank.

Most depositors including individuals and businesses are covered. The scheme covers deposits made with the offices of the bank within the European Economic Area.

**Al Rayan Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our firm reference number is 229148.
Al Rayan Bank PLC is incorporated and registered in England and Wales. Registration No. 4483430.
Registered office: 44 Hans Crescent, Knightsbridge, London, SW1X 0LZ.**

Banking you can **believe** in