



AL RAYAN BANK



SHARIA COMPLIANCE GUARANTEED

Profit not interest



Banking you can **believe** in

Direct Savings Account

Special conditions

alrayanbank.co.uk

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Section A: Words with special meanings

In this booklet words are used that have special meanings. **We** have put these special words in bold text to help **you** understand what those special words mean when used. The **conditions** also apply to **your Direct Savings Account** and **you** should also refer to the words with special meanings set out in the **conditions** as well as those special words which are also used below and are incorporated into these special conditions. Please note that if there is any conflict between the **conditions** and these special conditions relating to **your Direct Savings Account**, these special conditions shall apply.

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 Direct Savings Account (as set out in the Consumer Banking terms and conditions and Business Banking terms and conditions), which are in addition to these special conditions, and which are published on our website (alrayanbank.co.uk).
Direct Savings Account	Your Direct Savings Account. The conditions and the special conditions apply to your Direct Savings Account even if the name on the Direct Savings Account or the number changes.
distributable profit	The net income for a calculation period less the profit stabilisation reserve contribution .

Special word	Meaning
gross income	In respect of each calculation period , all of the revenue generated by the pooled funds during such calculation period prior to any deductions being made.
joint	Two or more of you .
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 5.1.
our share of profit	The share of profit due to us . Our maximum share of profit is set out in clause 7.3(d) of these special conditions but we may in our discretion lower our share of profit .
pooled funds	The pooled funds that belong to our customers (which have been paid into any of our customer accounts) and which may also include funds belonging to us which we may include in the pool to be invested together in Sharia compliant investments.
profit stabilisation reserve account	An account into which we will pay profit stabilisation reserve contribution .
profit stabilisation reserve contribution	In respect of each calculation period , the percentage amount we will deduct from net income for payment into the profit stabilisation reserve account .
profit stabilisation reserve contribution cap	The maximum percentage amount we may deduct from net income as set out in clause 7.3(c) of these special conditions. We may at our discretion deduct a lower percentage in certain circumstances.
your share of profit	The share of profit due to you . This will be based on the distributable profit less our share of profit to be deducted pursuant to special condition 6.



Banking you can believe in

Section B: Direct Savings Account

1. Direct Savings Account

The special conditions set out below apply to **our Direct Savings Account** and are in addition to the **conditions** which also apply.

1.1 Investment of **pooled funds**

1.1.1 **Our Direct Savings Account** operates on a profit sharing basis 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 **our Direct Savings Account you** also agree to be bound by their decisions and guidance.

1.1.2 **We** will invest the **pooled funds** in **our** absolute discretion in Sharia compliant investments at all times ensuring that there are sufficient funds available for providing immediate cash liquidity for **our** customers that wish to make withdrawals subject to special condition 4.

1.1.3 In opening a **Direct 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.

1.2 To open a **Direct Savings Account you** must be at least 16 years of age.

1.3 **You** can only have one **Direct Savings Account**, which must be opened in **your** name or jointly with some one else. **You** cannot open an account on behalf of someone else.

1.4 A minimum deposit of £1,000 is required to open a **Direct Savings Account**. The initial deposit must be made within 14 days of **your Direct Savings Account** being opened. Failure to do so within this period may result in the closure of **your Direct Savings Account**.

1.5 A minimum balance of £1,000 must be maintained at all times. Failure to do so may result in the closure of **your Direct Savings Account**.

1.6 **We** can refuse to open a **Direct Savings Account** or to accept a deposit without giving **you** any reason.

2. Operating your Direct Savings Account

2.1 **You** can operate **your Direct Savings Account** using **our** online banking service or by post.

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- 2.2 If **you** want to use **our** online banking service to operate **your Direct Savings Account** **you** must already be registered for **our** online banking service and have accepted **our** online banking service terms and conditions or do so as part of the application process for **your Direct Savings Account**.
- 2.3 **We** may send **you** any communication relating to **your Direct Savings Account**, including but not limited to, variations to the terms and conditions or applicable profit rate of **your Direct Savings Account**, by secure messages via **our** online banking service or by post. **You** must access the online banking service to check **your** secure messages and balance regularly.

3. Paying money into your Direct Savings Account

- 3.1 An initial deposit of £1,000 or more is required to open **your Direct Savings Account**. This can be made using any of the methods set out below:
- 3.1.1 By using the transfer functionality within **our** online banking service to transfer monies from a current or savings account **you** have with **us**; or
- 3.1.2 By sending a cheque using post or courier to one of **our** branches or to the following address: Al Rayan Bank PLC, PO Box 12461, Birmingham, B16 6AQ. The initial deposit must be made within 14 days of **your Direct Savings Account** being opened.
- 3.2 Thereafter, **you** may make payments into **your Direct Savings Account** by:
- 3.2.1 using the transfer functionality within **our** online banking service to make payments to **your Direct Savings Account** from any current or savings account **you** hold with **us** - maximum limits may apply, please call **our** Customer Services team on 0800 4086 407 to check the limits;
- 3.2.2 sending cheques by post or courier to the address mentioned above; or
- 3.2.3 setting up a regular payment from any current account **you** hold with **us** or with any third party or by such other form of electronic transfer as **we** may agree.
- 3.3 **you** MAY NOT make cash payments into **your Direct Savings Account**.

4. The right to withdraw money

- 4.1 Money deposited into a **Direct Savings Account** may be withdrawn on demand in accordance with clause 4.2 of these special conditions.
- 4.2 Subject to a minimum balance of £1,000 and there being sufficient cleared funds in **your Direct Savings Account**, **you** may make a withdrawal of money from **your Direct Savings Account** by any of the methods set out below:
- 4.2.1 Using the transfer functionality within **our** online banking service to make payments out of **your Direct Savings Account** to any current or savings account **you** hold with **us**, or any third party account - maximum limits may apply; or

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- 4.2.2 Writing to **us** at: Al Rayan Bank PLC, PO Box 12461, Birmingham, B16 6AQ, to give **us** instructions to make a payment to a third party account or requesting a withdrawal, in this case **we** will send **you** a cheque in **your** name for the requested amount.
- 4.2.3 **You** WILL NOT be able to make withdrawals in cash from **your Direct Savings Account**.
- 4.3 Sometimes payments to be made from **your Direct Savings Account** may be subject to a delay for procedural checks to prevent fraud or for other reasons.

5. Operating fees and expenses and profit stabilisation reserve contributions

- 5.1 The **pooled funds** will be subject to deductions for direct costs, fees and expenses incurred in respect of the investment of the **pooled funds**. Such costs, fees and expenses will not exceed the limit set out in clause 7.3(b) of these special conditions. Any reasonable costs, fees and expenses that may be additionally due will be paid for by **us** out of **our share of profit**.
- 5.2 In addition to the deduction of the costs, fees and expenses referred to in special condition 5.1 **you** authorise **us** to deduct from **net income** a **profit stabilisation reserve contribution** for payment into the **profit stabilisation reserve account**. This deduction will not exceed the limit set out in clause 7.3(c). 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 in support of improving distributable profits.
- 5.3 **We** will exercise reasonable discretion as to when amounts in the **profit stabilisation reserve account** may be used to improve distributable profits but **we** will always follow the guidance of **our** Sharia Supervisory Committee.
- 5.4 In the event that Al Rayan Bank PLC is placed into liquidation following a court order, **you** agree that the balance in the **profit stabilisation reserve account** will be paid to charitable causes and **you** relinquish any right **you** may have to the monies in the **profit stabilisation reserve account**.

6. 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 set out in clause 7.3(d) of these special conditions.

7. Your share of profit

- 7.1 **We** will calculate **your share of profit** on a monthly basis.
- 7.2 **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.
- 7.3 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 **pooled funds**. The maximum percentage that **we** will deduct for such costs, fees and expenses shall be limited to 1.5% of the average **pooled funds** during the **calculation period**;
 - (c) Thirdly, **we** will calculate the **distributable profit** out of the net income by deducting a **profit stabilisation reserve contribution**. The maximum percentage that **we** shall deduct will be limited to 20% of the net income;
 - (d) Fourthly, **we** will calculate **our share of profit**. **Our** maximum share of profit will be limited to 40% of the **distributable profit**; and
 - (e) Finally, **we** will calculate **your share of profit** and credit **your Direct Savings Account** with the amount due to **you** in accordance with the provisions of this special condition 7.
- 7.4 **We** may from time to time reduce **our share of profit** and the **profit stabilisation reserve contribution** at **our** discretion.
- 7.5 **Your share of profit** as calculated in this special condition 7 will be presented as an annual gross per annum percentage and will be published as **your share of profit** on **our** website (alrayanbank.co.uk). This annual percentage may change at the **calculation date** and such changes will be published on **our** website.

8. Profit and loss

- 8.1 It is a Sharia principle that profit sharing accounts such as the **Direct Savings Account** 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 **pooled funds** administered by **us** returning a loss.
- 8.2 When **your** capital makes a profit **we** shall account to **you** for that profit in accordance with these special conditions.
- 8.3 As a matter of English law (which applies to these special conditions) and in accordance with **our** Memorandum and Articles of Association, in the event that **your** capital suffers a loss, **we** shall seek to mitigate the loss in the following manner:
- (a) **We** may forego some or all of the fees chargeable by **us** in respect of the investment of the **pooled funds** for the **calculation period** relevant to **your** account(s);
 - (b) **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;
 - (c) In accordance with **our** Memorandum and Articles of Association, **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); and
- 8.4 If the **pooled funds** referable to **your** capital return a loss, **we** shall make an offer to **you** to make good the amount of any shortfall that **your** capital 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**.
- 8.5 **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 8.4), **you** will not be complying with Sharia principles.
- 8.6 In certain circumstances **we** may not be able to pay back to **you** the amount that **we** are obliged under these terms and conditions. If the terms of the Financial Services Compensation Scheme (FSCS) apply in these circumstances it may be possible to apply to the FSCS for payment of compensation.
- 8.7 In the event that Al Rayan Bank PLC is placed into liquidation and **you** have suffered capital loss in respect of which **we** have made an offer to **you** which you have accepted, **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** in order to comply with clause 8.5 above, **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**.

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- 8.8 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 Direct Savings Account** out of money held by **us** on behalf of **our** shareholders.

9. Statements

Statements will be sent to **you** quarterly.

10. Closing your account

- 10.1 **We** can ask **you** to close **your Direct Savings Account** at any time. **We** can do this without giving any reason, but **we** will normally give **you** at least 60 working days notice.
- 10.2 **You** may close **your Direct Savings Account** at any time.

11. Governing law

- 11.1.1 The laws of England and Wales govern these special conditions.
- 11.1.2 We both recognise and agree that the payment and/or receipt of interest is against Sharia principles and consequently this agreement does not involve the payment or receipt of interest. 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.



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.**

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