



## **Website Q&A for TUK2023/03**

### **What happened?**

When customers had Graduate or Student+ account with us, it had an interest-free overdraft. When we switched customers to a current account, this overdraft was no longer interest-free. If they used their overdraft, charges would then apply. However, we did not provide customers with the correct overdraft documentation, which means that they were unaware of these charges.

### **Who does this affect?**

Customers impacted are some of those who held Graduate/Student+ accounts with us, and were moved to a Classic account when they were no longer eligible, without receiving their credit agreement detailing the correct terms of their overdraft.

### **How have we put this right?**

We have refunded the interest and fees on the overdraft to the affected customer. This refund has been made directly to their open AIB account, or by cheque. We have provided customers with the credit agreement for their overdraft going forward and also completed the remediation of their credit files with Equifax where necessary.

### **Do customers need to take any further action?**

No. As detailed in the customer letters, we have rectified the issue so no more action needs to be taken by customers.

### **Why have some accounts received a letter in relation to this issue and not others?**

We have written to every customer that has been affected by this issue whose refund is greater than £5. If the customer did not get a letter, it means that their refund is less than £5, or they were not affected by the issue.

### **Why are there two different account numbers mentioned in the letter?**

If the Graduate/Student+ account on which the mistake has occurred has since closed, where available, we have paid your refund into your current AIB account.

### **What is the time period for this issue?**

For the impacted accounts, the error occurred from 2010 to date. Measures have been put in place to prevent any re-occurrence of this error.

### **How has the refund been calculated?**

All interest and associated fees paid since the customer's account was switched have been refunded. In some cases, compensatory interest was paid at 8% on the total interest from the date the

customers' account closed, to the refund date. Tax has been deducted from this at 20% under HMRC rules.

**What do I do if I have a question about my tax deduction?**

The tax treatment of the compensatory interest depends on your personal tax circumstances, any queries in relation to the tax treatment of this compensatory interest should be directed to HMRC.

**Why are you refunding customers before writing to them?**

We made sure to refund customers first to ensure the mistake was corrected as quickly as possible.

**Has the issue been resolved?**

Yes, we have corrected the necessary processes and procedures to make sure it will not happen again.

**What happened with joint accounts?**

In this case, we refund the AIB joint account. Where the customers do not share an AIB joint account, we have sent a cheque to everyone on the account, split equally.

**What happened if a letter mentions that their Equifax record was affected?**

We incorrectly reported the arrears status of a small number of customers to Equifax. If a customer's Equifax record has been affected, the letter says so.

Where possible, we have corrected the Equifax records of these customers from the loan end date or the refund date. However, if a customer thinks our mistake may have caused other lenders to refuse them credit during this time period, they should contact us on 0345 646 0428\* any time between 09:00 and 17:00, Monday to Friday (excluding UK and Republic of Ireland Bank Holidays).

*\* Call charges may vary – please refer to your service provider.*

The customer will be required to provide us written information from the lender that credit was refused because of the incorrect Equifax record. If we refused a customer credit, they can call us directly and we will look into it.

**Has AIB refused any loans as a result of this incorrect Equifax reporting?**

If a customer feels they were refused a loan as a result of this, we ask them to contact us and we will investigate.

**How can a customer get a copy of their Equifax records?**

If you would like a copy of your Equifax records, please visit: [www.equifax.com](http://www.equifax.com)

If you have any further questions, please contact us on 0345 646 0428 \* any time between 09:00 and 17:00, Monday to Friday (excluding UK and Republic of Ireland Bank Holidays).

*\* Call charges may vary – please refer to your service provider.*