

This document has been produced by UK Finance to provide additional information to customers as the UK leaves the single market on 31 December 2020.

Current accounts, credit cards and unsecured personal loans

Q Will Brexit affect my ability to open a current account?

If you live in the UK and your provider is also based in the UK, Brexit should not directly impact your ability to apply for a current account. UK-based financial service providers will also still be able to consider applications from EU/EEA nationals that are legally resident in the UK after Brexit as they do today.

The success of any application you make for finance will continue to depend on your individual circumstances. Providers of financial services will not need to change the way they deal with an application, continuing to lend responsibly by assessing whether the product is suitable for each individual customer based on their own circumstances.

For UK nationals who live in the EU/EEA, or UK residents moving to an EU/EEA country, being able to open (or maintain) a UK-based account offered by a UK-based service provider will depend on many factors, including the regulatory framework of the



country you are moving to. We recommend that you contact your account provider before moving to discuss whether they can offer, or continue to provide, your account services.

EU/EEA providers will be able to continue to consider applications from UK citizens living in that country.



Q If I am a UK citizen living in the EU will I still be able to keep my UK current account and other UK-based financial services products?

If you are a UK citizen or EU citizen with a UK-based current account, whether you can keep this account open will depend on the laws of the EU/EEA country you are living in. Due to the rules that govern how customers can access bank accounts and services in different EEA countries, a small number of retail customers living in the EEA may no longer be able to access banking services from their UK-based provider after the end of the Brexit transition period. Where firms can continue to service EEA customers – i.e. where it remains clearly permissible - they will continue to do so.

The industry has been working with authorities across the EEA to minimise the impact on customers. However, where changes to services need to be made banks and other providers have been contacting impacted customers and informing them of any actions they need to take.

For more information please see our specific guide on Retail Banking in the European Union after Brexit [here](#).



Q Can I still get an unsecured personal loan or credit card after the end of the transition period?

If you live in the UK and your provider is based there, the end of the transition period should not impact your ability to apply for a loan or credit card. Lenders will also still be able to consider credit applications from EU/EEA nationals that are legally resident in the UK after Brexit.



The success of your application will continue to depend on your individual circumstances. UK-based providers will not need to change the way they deal with an application and will continue to lend responsibly, assessing whether the product is suitable for each customer based on their individual circumstances.

If you are a resident in the EU/EEA (including UK nationals) applying to a UK-based finance provider, or a UK resident (including EU/EEA nationals) applying with an EU/EEA-based finance provider, the impact on your credit application will depend on a range of factors. These include the operating model of the bank or provider, the product or service being provided, and the legal and regulatory framework in the country in which you are resident. For more information please see our specific guide on Retail Banking in the European Union after Brexit [here](#).



Q Will the money in my current or savings account continue to be protected?

The Financial Services Compensation Scheme (FSCS) will protect deposits up to £85,000 held in the UK by banks, building societies and credit unions that are authorised in the UK.

FSCS protection for savings is not dependent upon the depositor's place of residence, but where the bank, building society or credit union holds the deposit. If a deposit is held by a branch in the UK, FSCS protection applies (except for UK branches of Gibraltar-based firms, where protection will continue to be the responsibility of Gibraltar's scheme).

EU/EEA banks holding deposits in the UK (e.g. through branches) will need to be authorised in the UK and will automatically be members of the FSCS. If the provider does not have an establishment in the UK, deposit-protection of up to €100,000 may be provided by the firm's EEA/EU home state deposit-guarantee scheme.



Making payments and sending money



Q Will my regular payments, such as Direct Debits be affected?

If you are a UK resident, your domestic payments through your UK provider, such as your Faster Payments and Bacs Direct Debits will not be affected by the UK's exit from the EU. The UK's exit from the EU will not have any immediate impact on the methods that UK consumers and businesses use to make domestic payments.

You may be asked for additional information (for example your address) when making cross border euro credit transfers and direct debits through the Single Euro Payments Area (SEPA).



Q Can I still use my debit or credit card in the EU?

Yes — customers will still be able to use their debit or credit card in the EU/EEA in the same way as they do today. This is because the systems that underpin card payments are global and so will not be affected by the UK's departure from the EU.

Card payment systems (such as American Express, Mastercard and Visa) are globally interoperable and do not rely on mutually agreed regulations or trade agreements to work. The international card schemes set the operational rules for card payments between payment providers (including banks) and retailers, not only within the EU, but around the world.



Q Will I be charged more for using my debit or credit card in the EU?

Transactions will still be subject to existing foreign exchange charges and your provider may still apply a charge as they do today.

Customers should be aware that EU law sets the limits of interchange fees charged to merchants for transactions in the EU. After the UK leaves the EU these laws will no longer apply between the EU and UK, and higher fees may be charged. Where merchants can apply surcharges on consumers when using debit or credit cards, it may lead to increased transaction costs.



Q Will I still be able to make euro payments?

UK consumers and businesses will continue to be able to make credit transfers and direct debits in euros through the Single Euro Payments Area (SEPA) schemes, which ensure timely and cost-effective euro payments. This follows a successful application by UK Finance for the UK to maintain participation in the SEPA after Brexit. This means that payments should continue to be treated as they are now, however customers will be required to ensure they provide a little more information, such as an address when setting up a Direct Debit for example.

SEPA is an area in which consumers and businesses can make and receive payments in euros under the same basic conditions regardless of their location. These schemes support individuals working and studying abroad, those who have retired to another EU country or own a second home in Europe. For example, a euro account in the UK can receive a salary earned in Spain or be used to pay a utility bill in France. The SEPA schemes also make it easier and cheaper for UK businesses to send and receive euro payments.



Q Will my euro payments cost me more money?

Depending on your provider's structure, we do not expect the costs of making payments to EU countries through UK-based providers to materially change. UK consumers and businesses will continue to be able to make credit transfers and direct debits in euro through the Single Euro Payments Area (SEPA) schemes, which ensure timely and cost-effective euro payments.

Whilst we do not expect there to be significant cost changes in most cases, transactions will still be subject to existing foreign exchange charges and your provider may still apply a charge as they do today.

Your UK service provider may be charged more by the EU provider for payments in other currencies and therefore in some cases costs could increase, this will depend on your service provider.



Q Will my payments still be protected?

UK-based customers' personal finance and payments activities will still be protected, as they are today, as current EU legislation has been brought into UK law. Non-UK residents or those making a cross border transaction will also still be protected by the EU legislation which applies in other EU member states.

You will still be able to make use of chargebacks as these are protections afforded through the global card schemes such as American Express, Mastercard and Visa. Chargebacks are a mechanism for your card issuer to reclaim money from the retailer's provider in certain circumstances. Chargebacks are not a legal right but are facilitated by the card schemes.

UK residents with UK based credit cards will still be able to make use of Section 75 protections even if they spend money abroad. This law (part of the Consumer Credit Act 1974) protects you if you use your credit card to buy something costing over £100 and up to £30,000.



Mortgages

Q Will people who own property in the EU be impacted?

We do not expect any issues for UK residents with property in Europe purchased with a loan from a UK-based bank. Similarly, we do not expect any issues for EU/EEA residents whose property in the UK was purchased with a loan from an EU/EEA-based lender.

For UK residents with a mortgage from an EEA-based lender on an EEA-based property, the ability to continue servicing that mortgage will depend on the position taken by the lender. If your provider believes there are issues providing you with a product or service after the end of the transition period, your provider should contact you.

Q Will firms still have to regularly update customers who have a loan in a foreign currency?

Providers will still have to warn customers when exchange rates vary by 20 per cent or more, from the rate that applied at the time the mortgage contract was concluded. However, firms will not need to provide a regular update if the variation in the exchange rate is less than 20 per cent.



Q Will Brexit affect the ability of EU/EEA nationals to apply for a mortgage in the UK? Will EU/EEA nationals have to secure settled status before applying?

If a customer is legally resident in the UK and their provider is also based in the UK, Brexit should not directly impact on their ability to apply for a mortgage. UK-based financial service providers will also still be able to consider applications from EU/EEA nationals that are legally resident in the UK after Brexit as they do today.

Mortgage lenders will have their own policies in place regarding lending to non-UK nationals and the success of any application will depend on each customer's individual circumstances, such as whether they have indefinite leave to remain or permanent residency. We recommend that customers contact their provider to discuss whether they can offer, or continue to provide, a suitable mortgage product. UK-based providers will continue to lend responsibly, assessing whether the product is suitable for each customer based on their individual circumstances.



Business customers

Q How will the UK's departure from the single market on 31 December 2020 impact on business customers?

UK Finance is encouraging small businesses to consider the opportunities and challenges related to the UK's withdrawal from the EU through its [Let's Talk Business](#) campaign, and to approach their lender to discuss any financing needs.



Preventing economic crime

Q What impact will Brexit have on fraud?

Criminals will use the publicity around Britain's departure from the EU as an opportunity to target people with fraud and scams. These may include tricking you into purchasing European Health Insurance Cards from unofficial websites or unsolicited calls and emails using the current news around Brexit to encourage you to make new investments

Follow the advice of the [Take Five to Stop Fraud](#) campaign and remember that criminals are experts at impersonating people, organisations, and the police:

- **Stop:** Taking a moment to stop and think before parting with your money or information could keep you safe.
- **Challenge:** Could it be fake? It's ok to reject, refuse or ignore any requests. Only criminals will try to rush or panic you.
- **Protect:** Contact your bank immediately if you think you've fallen for a scam and report it to Action Fraud.



Q What about scams targeting business customers?

Criminals may use Brexit as an opportunity to target businesses with scams, including fake HMRC websites urging businesses trading with the EU to register for a “UK trade number”.

Businesses should follow the advice of the [Take Five to Stop Fraud](#) campaign and remember that criminals are experts at impersonating people, organisations, and the police:

- **Stop:** If you receive a request to make an urgent payment, change supplier bank details or provide financial information, take a moment to stop and think.
- **Challenge:** Could it be fake? Verify all payments and supplier details directly with the company on a known phone number or in person first.
- **Protect:** Contact your business’s bank immediately if you think you’ve been scammed and report it to Action Fraud.

At the time of release this document is accurate to the best of UK Finance’s knowledge. However, due to the changing nature of the Brexit process some of the information in this document may no longer be accurate. UK Finance strongly suggests customers check with the relevant third parties to ensure they have the most up to date information.