

M&S BANK

<Correspondence Name>

<Address Line 1>

<Address Line 2>

<Address Line 3>

<Address Line 4>

<Postcode>

Date: <dd mm yy>

Reference number: <XXXX>

Dear <Customer name>

We're proposing to transfer the business of Marks and Spencer Financial Services plc (trading as M&S Bank) to HSBC UK Bank plc (HSBC UK).

We wanted to let you know about the proposed transfer of our business to HSBC UK. To make these changes we're proposing to use a legal process called a banking business transfer scheme (**Transfer**). We need the approval of the High Court for the Transfer to take place. If the Transfer is approved, it is expected to take effect on 1 June 2026.

What does the Transfer mean?

If the Transfer goes ahead, all the accounts and services currently provided by M&S Bank will be provided by HSBC UK instead. Any information that we hold about you will also transfer to HSBC UK.

M&S Bank is already part of the HSBC Group so you shouldn't see any changes to your account(s), services or the way you bank with us.

What does this mean for me?

We want to reassure you that there will be no change to your everyday banking. Your account number(s) will stay the same and any automated payments currently set up on those accounts will continue as before. How you make and receive payments will not change and we will continue to contact you about your account(s) in the same way we do today. When we contact you, we will still use the M&S name and logo.

What's happening?

The legal provider of our products and services will be changing to HSBC UK Bank plc.

Do I need to do anything?

Please read this letter and the Customer Booklet to find out how the Transfer may affect you.

Any questions?

We're happy to help. Please call us on 0800 028 9001.

What will happen to my insurance product that I bought through M&S Bank?

If the Transfer goes ahead, there will be no changes to the terms of your insurance policy or how you make a claim, as the policies are arranged, administered, and underwritten by third-party insurers chosen by M&S Bank. Your existing cover is unaffected and will continue until the end date of your policy. You can find out more on page 12 of the Customer Booklet.

What do I need to do?

As you have products with both M&S Bank and HSBC UK (which includes first direct as well as HSBC UK), there are some changes you need to be aware of and actions you may wish to take if the Transfer goes ahead.

Financial Services Compensation Scheme protection

If the High Court approves the Transfer, deposits held at M&S Bank and HSBC UK (which includes first direct as well as HSBC UK) will all be within the same regulated bank, HSBC UK. This means that your maximum Financial Services Compensation Scheme (FSCS) protection would currently be £85,000 for all savings and current accounts you have with M&S Bank, HSBC UK and first direct.

You can find more information on page 14 of the Customer Booklet. We will send a reminder before the change takes place.

HSBC UK may gain additional rights

If you have other products with both M&S Bank and HSBC UK (which includes first direct as well as HSBC UK), in particular where you have loans with both banks or deposits with one bank and a loan with the other bank, the Transfer may impact you. This is because the Transfer will mean that HSBC UK may gain additional rights regarding your products. However, if the Transfer is approved by the High Court, the ways HSBC UK can use these rights will be limited to reduce the potential impact for customers. You can find more information on page 18 of the Customer Booklet.

We've included:

- a Customer Booklet explaining the key impacts of the proposed Transfer
- a summary of the scheme document setting out the key terms of the proposed Transfer
- important information on how the Transfer will affect your Cash Individual Savings Account (ISA) number <ACCOUNT NUMBER>

Please read these documents to understand what the Transfer means for you, what steps you may want to take and where to find a copy of the full Transfer terms.

What happens next?

We need the approval of the High Court for this Transfer to take place. We'll be attending a hearing at the High Court on 23 March 2026. If the High Court approves the Transfer, the transfer date is expected to be 1 June 2026.

The progress of the Transfer, including any changes to the court date will be available on our website at: bank.marksandspencer.com/transfer-scheme/.

How can I make my views known?

If you think the Transfer will adversely affect you, you have the right to raise your concerns with us or the High Court. You can find out how to do this on page 23 of the Customer Booklet.

What if I have any questions?

You will find answers to frequently asked questions in the Customer Booklet or on our website at <https://bank.marksandspencer.com/transfer-scheme/>. If you have any other questions, please call 0800 028 9001 or +44 (0)800 028 9001 if calling from outside of the UK. Lines are open 9am to 5pm, Monday to Friday.

Need extra help or support?

We understand that everyone has different needs. Whether you are dealing with a life event, would like information sent to you in a certain format, or you have health and accessibility needs, we're here to help. Let us know how we can support you by visiting marksandspencer.com/yoursupportneeds.

Yours sincerely



Colin O'Flaherty
CEO M&S Bank

If you're unable to access the website or require a large text or braille version of this letter, please call us on 0800 028 9001.

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ISA Notification

As a part of the Transfer, Marks and Spencer Financial Services plc (trading as M&S Bank) intends to transfer the management of your Cash ISA to HSBC UK Bank Plc (HSBC UK) via a bulk transfer of ISA accounts on 1 June 2026. On 1 June 2026, the ISA manager will change from M&S Bank to HSBC UK.

The address for HSBC UK is: 1 Centenary Square, Birmingham, United Kingdom, B1 1HQ.

Other than the change of ISA manager, your Cash ISA will continue to run as normal.

What do I need to do?

You need to decide what to do with your ISA.

Option 1

To accept the new ISA manager, you do not need to do anything. The management of your Cash ISA will automatically transfer to HSBC UK on 1 June 2026 and your savings will keep their tax-free status.

OR

Option 2

If you do not want HSBC UK to become the ISA manager for your Cash ISA, you can:

1. Close your account before 15 May 2026. If you close your account and withdraw your money, it will lose its tax-favoured ISA status. Call us on 0808 001 1111. Lines are open 9am to 5pm, Monday to Friday.
2. Transfer your Cash ISA to another ISA manager. If you want to transfer to another ISA manager before the transfer to HSBC UK takes place, your new ISA manager must give us transfer instructions by 15 May 2026. Your ISA must be transferred in accordance with the Individual Savings Account Regulations 1998 to retain its tax-favoured ISA status otherwise it will cease to be tax-free. Please follow the instructions of the new ISA manager.

If you choose to close your M&S Cash ISA or transfer to another ISA manager, we will not charge any early withdrawal fees if you do this between 1 May 2026 and 31 July 2026.

If you are a personal representative of a deceased M&S Cash ISA customer, and if the account still has ISA status as a 'continuing account of a deceased investor' you will not be able to transfer it to another ISA manager. You will be able to close the product if you do not wish it to transfer to HSBC UK.

Additionally, if you will suffer a reduction in your overall level of Financial Services Compensation Scheme (FSCS) cover as a result of the Transfer, you may be able to withdraw amounts from your Cash ISA and receive compensation in accordance with the FSCS withdrawal rights. See the Financial Services Compensation Scheme section on page 14 of the Customer Booklet.

What happens if I do nothing?

If you do nothing the management of your Cash ISA will transfer to HSBC UK on 1 June 2026.

To find out more please read **Information for ISA customers** on page 13 of the Customer Booklet.