

# Virtual accounts

## with ClearBank



If you think of a real account as a centralised location where all customer money is held, virtual accounts are the filters that help you keep track of the funds within a real account. Virtual accounts act as a mechanism for routing money to specific pots in a real account in real-time, and they don't settle any transactions or carry their own balances.

This type of virtual account structure enables you to support a huge number of customers with one or just a small number of real accounts. Every customer has their own virtual IBAN, which allows funds to be received like a real account. By using this type of structure, you can notionally segregate your customers' money, while still keeping the funds centralised in one or more real accounts.

We track payments on your real account, which you can effortlessly reconcile with the payments you track on your customers' virtual accounts.

### Details

With our virtual accounts, clients are provided with:

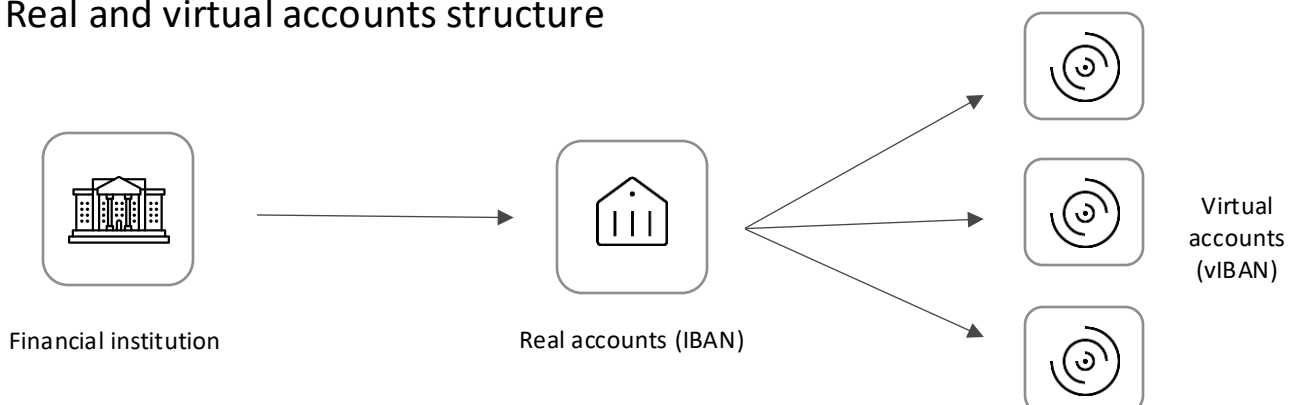
- An API that enables you to open virtual accounts any time, day or night, 365 days a year.
- The choice to leverage our sort code or your own.
- The ability to track transactions against each virtual account, which link back to a real account.
- Up to 6 million virtual accounts with no limit on balances or daily transaction volumes.

### Key benefits

Here are some key benefits of our virtual accounts:

- A scalable, cost-effective structure that unlocks greater efficiency.
- You can keep track of each customer's money without having to manage a real account for every customer.
- With a unique virtual IBAN for every account, each one looks and feels like a real account for your customers.
- Customer funds are segregated from your own funds, allowing the real account to be safeguarded.

### Real and virtual accounts structure



# Client money accounts

## with ClearBank



Client money accounts allow you to receive and hold money for (or on behalf of) your customers. These accounts separate your customers' CASS 7 investment funds from your own operating accounts. You'd likely opt for client money accounts if you're holding money on behalf of a customer typically in connection with Markets in Financial Instruments Directive (MiFID) or designated investment businesses.

You can choose to use real client money accounts or at least one real account with up to 6 million virtual client money accounts. These don't settle transactions or hold any balances but act as a mechanism that routes money to and from specific pots in a real account in real-time.

A virtual account structure enables you to support a huge number of customers with one or a small number of real accounts. You can notionally segregate your customers' money, while still keeping the funds centralised in one real account or several real accounts.

### Details

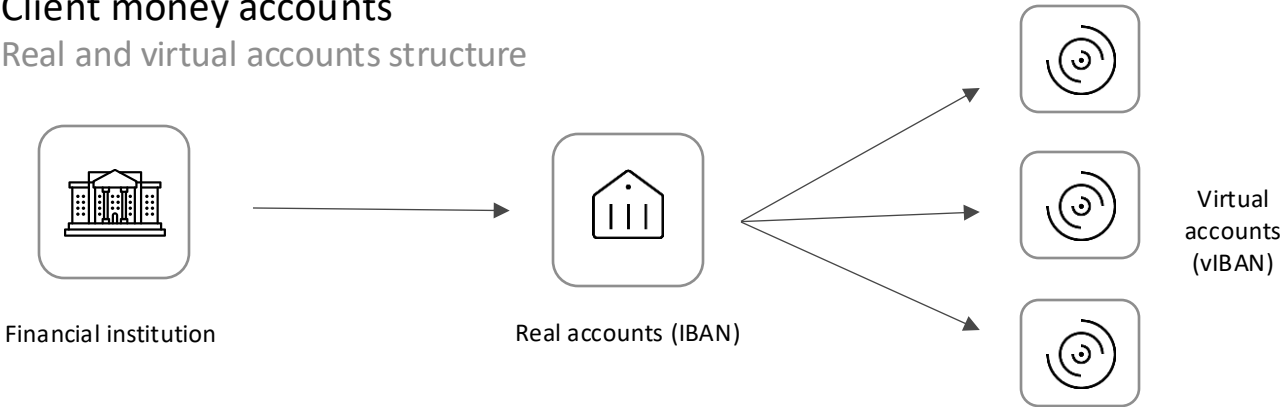
- With our client money accounts, clients are provided with:
- A safe and reliable way to segregate customer funds from your own.
  - FSCS protection for eligible funds up to £85,000 across all customers' client money accounts.
  - The flexibility to choose the structure of how you want to manage your customers' funds.
  - A direct connection to any, or all, of the payment schemes through our API.
  - Since the account holds your customer's money, we won't recover any unpaid ClearBank fees from the balance in the account.

### Key benefits

- Some key benefits of our client money accounts:
- Eligible funds are segregated, and we can sign an acknowledgment letter confirming the nature of the client money accounts, in accordance with your CASS 7 requirements.
  - Track payments on your real account and effortlessly reconcile with the payments you track on your customers' virtual accounts.
  - With a unique virtual IBAN for every virtual account, each one looks and feels like a real account for your customers.

### Client money accounts

#### Real and virtual accounts structure



# Customer segregated accounts

## with ClearBank

Customer segregated accounts sit alongside your business operating accounts. They're designed to hold your customers' money in a different account than your own.

You can choose to use real customer segregated accounts or at least one real account with up to 6 million virtual customer segregated accounts. Each account will have its own IBAN or virtual IBAN, so you can identify payments against the appropriate account and reconcile with ease. Importantly, all customer funds are segregated from your own.

These accounts are ideal for financial institutions that hold money on behalf of their customers. They provide a secure, flexible structure with all GBP funds held securely at the Bank of England.



### Details

With our customer segregated accounts, clients are provided with:

- A safe and reliable way to segregate customer funds from your own operating funds.
- The flexibility to choose between real accounts to manage customers' funds or at least one real account with up to 6 million virtual accounts.
- An API that enables you to open accounts or check transaction details any time, day or night, 365 days a year.
- A direct connection to any or all of the payment schemes through our API.
- Since the account holds your customer's money, we won't recover any unpaid ClearBank fees from the balance in the account.

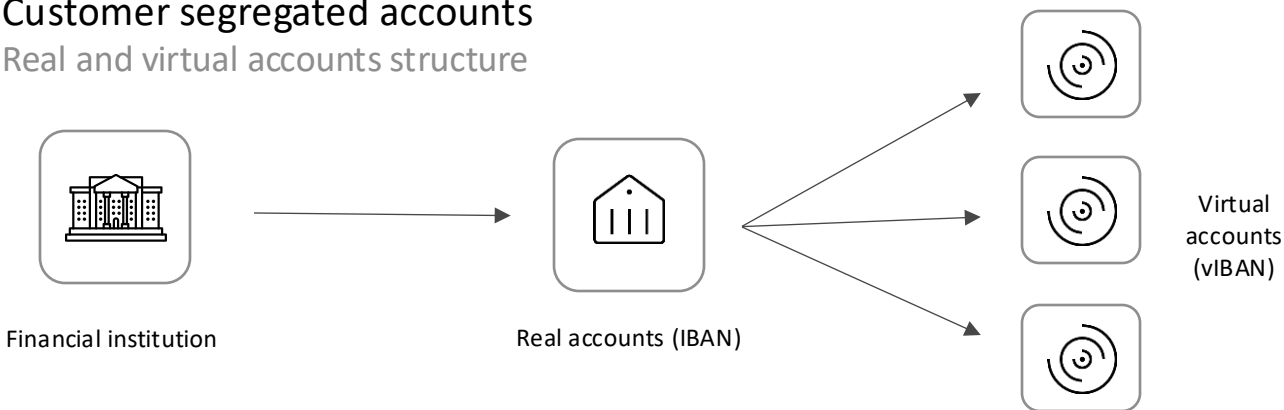
### Key benefits

Some key benefits of our customer segregated accounts:

- Eligible funds are safeguarded, and we can provide you with a letter to confirm to the regulator that you meet your safeguarding obligations – whether you're authorised or still in the process.
- You can easily reconcile the payments you track on your customers' virtual accounts.
- Access Confirmation of Payee (CoP) to give your customers the ability to easily verify who they're paying.

### Customer segregated accounts

#### Real and virtual accounts structure



# Operating accounts

## with ClearBank



Operating accounts are designed to hold the operating funds you use for the day-to-day running of your business – paying suppliers and employees, for example. They allow you to keep your money separate from the money you hold for, or on behalf of, your customers.

You can choose to have one operating account, or several different operating accounts to manage different areas of your business. All your transactions and statements are easy to access through our API or portal.

### Details

With our operating accounts, clients are provided with:

- A choice of one or more accounts to manage your operating funds in the way that suits you best.
- Access to your transactions and statements through our API or portal.
- Integration with all the payment schemes.
- Real accounts that have a ledger to track the balance.

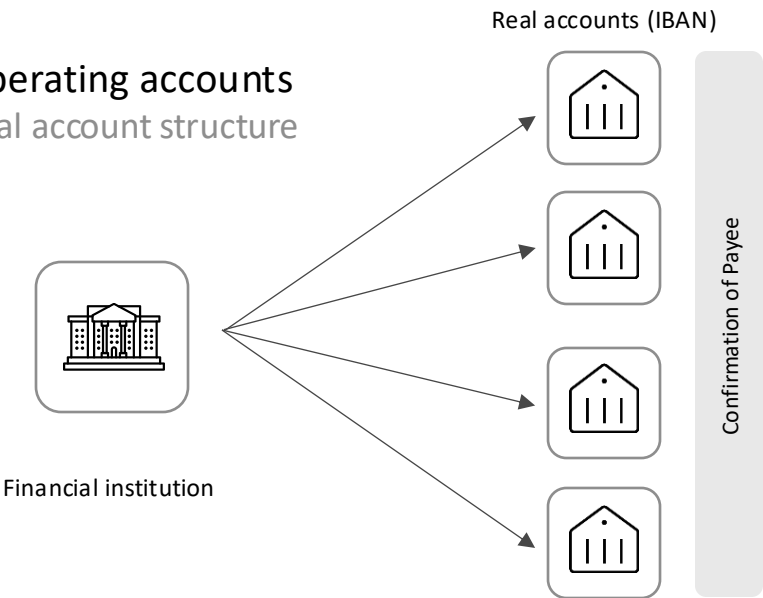
### Key benefits

Some key benefits of our operating accounts:

- Manage your operational funds and customer funds through one bank.
- Your operational funds are held separately, so customer funds can be segregated where eligible.
- All GBP funds are held securely at the Bank of England.
- Access Confirmation of Payee (CoP) to give you the ability to easily verify who you’re paying.

### Operating accounts

#### Real account structure



# Safeguarding

## with ClearBank



Safeguarding ensures that your customer's money is held separately from your operating funds. For e-money institutions (EMIs) and payment institutions (PIs), having at least one safeguarded account in place is a Financial Conduct Authority (FCA) requirement.

You can receive an FCA-compliant safeguarding letter from ClearBank proving your regulatory compliance in relation to the account. Safeguarding gives your customers peace of mind knowing that their money would be protected if your business were to become insolvent, and all eligible funds are FSCS protected up to £85,000 across all accounts held at ClearBank.

### Details

Through safeguarding, clients are provided with:

- At least one safeguarded account during our onboarding process, so you can safeguard customer funds immediately.
- You can request an FCA-compliant safeguarding letter confirming that you safeguard your customers' funds and that our rights over those funds are limited, including when you're applying to be regulated.
- Since the account holds your customer's money, we won't recover any unpaid ClearBank fees from the balance in the account.

### Key benefits

Here are some key benefits of safeguarding:

- For eligible customers, funds are protected through the Financial Services Compensation Scheme (FSCS) should ClearBank become insolvent.
- You and your customers can be confident in the knowledge that funds held in your safeguarding accounts are held securely at the Bank of England.
- Your safeguarding account can hold funds in multiple currencies, with up to 12 different global currencies accepted.
- The naming conventions of your accounts are set to ensure you can easily meet regulatory requirements.

### Real and virtual accounts structure

