

**keyfacts**<sup>®</sup>

# HSBC Loyalty Cash ISA

Tax-free savings

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The Financial Conduct Authority is a financial services regulator. It requires us, HSBC, to give you this important information to help you to decide whether our HSBC Loyalty Cash ISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

## What is an ISA?

An ISA is a tax efficient way of saving or investing.

There are four different types of ISA:

- ◆ cash ISAs
- ◆ stocks and shares ISAs
- ◆ innovative finance ISAs, and
- ◆ lifetime ISAs.

(Please note HSBC does not currently offer an innovative finance ISA or a lifetime ISA)

In addition there is also a Junior ISA which is a tax efficient savings account for children under 18. HSBC does not offer a Junior ISA.

A payment by you into an ISA in any tax year is called a subscription. You can only subscribe to one of each type of ISA per tax year.

## How much can I pay into an ISA?

Because of their tax advantages ISAs are subject to annual subscription limits.

For the tax year 6 April 2020 to 5 April 2021, the subscription limits are as follows:

- ◆ the overall ISA subscription limit is £20,000;
- ◆ the total amount you can save in ISAs in the current tax year year is £20,000. This can be saved in any combination of permitted ISAs subject to a maximum annual allowance of £4,000 being saved in a Lifetime ISA.

The tax treatment of an ISA will depend on your individual circumstances and may be subject to change in the future.

# Our Loyalty Cash ISA

## Plan for the future, free from UK income tax

Most people could benefit from saving for the future and taking advantage of your annual tax-free allowance may be a good place to start.

You could earn tax-free interest on your money, building up your long term savings and reducing your tax bill – especially if you are a higher rate tax payer.

With our HSBC Loyalty Cash ISA you will receive a loyalty rate for 12 months\* from the date of each payment into your ISA.

If you make further payments into your ISA, your loyalty rate period will begin again from the date of each payment. The loyalty rate will be applied to the total balance held in your ISA. Upon expiry of your loyalty rate period, earn a standard rate of interest until you make a further payment.

Our Loyalty Cash ISA is exclusive to HSBC current account customers. If you are an HSBC Premier customer, you will receive a preferential rate on your Loyalty Cash ISA.

## Key Product Information for our HSBC Loyalty Cash ISA

<b>Account Name</b>	Loyalty Cash ISA.
<b>Interest rates (AERs)</b>	Variable rate. Interest paid monthly. See enclosed leaflet for our current interest rates.
<b>Tax Status</b>	Interest is paid tax-free, that is free from UK Income Tax and Capital Gains Tax.
<b>Conditions for bonus payment</b>	No bonus payment applies to this account however every time you pay money into your ISA, your 12 month loyalty rate period will start again.
<b>Withdrawal arrangements</b>	Withdrawals are free of charge however, any amount you have paid into your ISA will count towards your annual ISA subscription limit even if you later withdraw it. You have the right to cancel your account within 30 days of opening it.
<b>Access</b>	You can apply for an HSBC Loyalty Cash ISA online, in branch, over the phone or by post. <b>You can also transfer in existing cash ISAs, stocks and shares ISAs and Matured Child Trust Funds/ Protected ISAs</b> held with us or with other providers by submitting a form. Once opened, you can manage your account online, in branch or over the phone or via the mobile banking app.

**See the enclosed leaflet for our current interest rates.**

\*12 months is calculated as 366 days for interest purposes to allow for leap years.

# How our Loyalty Cash ISA works

## Overview

A loyalty rate applies for 12 months\* from the date of each payment into your ISA. If you make further payments into your ISA, your loyalty rate period will begin again from the date of each payment. Upon the expiry of your loyalty rate period, you will earn a standard rate of interest until you make a further payment.

This account is exclusive to HSBC current account holders and pays preferential rates to HSBC Premier Customers.

## Paying in

After you open your ISA you can add to your savings, up to the annual limit, by:

- ♦ transferring money from another of your accounts with us, via telephone, visiting your branch or internet banking
- ♦ setting up a regular standing order from your current account
- ♦ paying in cash or cheques at any HSBC UK Bank branch.

## Transferring into your Loyalty Cash ISA

You can transfer existing cash ISAs and stocks and shares ISAs into your HSBC Loyalty Cash ISA by completing and submitting a paper form.

## Getting access to your money

You can get at your money whenever you like, without any charges and without losing your loyalty rate. However any amount you have paid into your ISA will count towards your annual ISA subscription limit even if you later withdraw it.

You can also transfer to another of your accounts with us via telephone, internet banking or visiting your local branch.

You can withdraw cash at any HSBC UK branch (you will need to have some personal identification). Remember, if you do withdraw funds or close your account, you will lose the tax relief available on the amount withdrawn. If you have subscribed in the current tax year, you can't close your account with us and open a new cash ISA for the current tax year with another ISA manager, although you may transfer your account with us to another ISA manager at any time.

## Interest

We calculate interest on the daily cleared balance of your account and pay it monthly. Interest will be paid gross, that is with no tax deducted. You can choose to have the interest diverted to another HSBC account if you want monthly income. We will write to you two months before your loyalty rate is due to expire. The loyalty rate will begin again each time you make a further payment in to your account.

## Statements

We'll issue a statement following receipt of the first credit to your account. Thereafter, we'll provide a statement monthly if you've made a payment out of your account. You'll receive at least one statement each year for your records.

\*12 months is calculated as 366 days for interest purposes to allow for leap years.

## Ready to apply?

Our Loyalty Cash ISA is exclusive to HSBC current account customers. Make sure you have your National Insurance Number with you (if you have one) and then:

- ◆ Call in at any HSBC UK branch and we will take care of the rest.
- ◆ Call us on **0800 032 4729\*** (textphone **03457 125 563**).
- ◆ Just complete the HSBC Loyalty Cash ISA Application, Cash Transfers in and Reactivation Form (including payment instructions) and send it to:  
**HSBC UK Bank plc**  
**Forum 1**  
**The Forum,**  
**1st Floor,**  
**Fareham,**  
**Hampshire,**  
**PO15 7PA.**
- ◆ Registered for Internet Banking?  
 Just sign on and apply online.

Please note that, due to revised Money Laundering regulations, we may need to ask you to provide us with some identification – we will let you know if this is the case.

Please note that any money invested by you must be your own funds.

## Transferring your cash ISA?

You can transfer existing cash ISAs, stocks and shares ISAs and Matured Child Trust Funds/Protected ISAs into your HSBC Loyalty Cash ISA by submitting a form. Where you are transferring in a stocks and shares ISA or Child Trust Fund/Protected ISA, your ISA or Fund manager will, after receiving the instruction to transfer, sell your shares or funds and make the transfer to us in cash. Call us on **03457 404 404** or for Premier customers **03457 707 070** (textphone **0800 028 0126**) to request a form, call in to any branch or visit us at **hsbc.co.uk** to download a form.

A transfer to a cash ISA does not constitute a subscription under the ISA Regulations and there is no limit to the amount of money you can transfer to a cash ISA with us. Any amounts transferred for the current tax year will however count towards that years subscription.

### What Happens Next?

Once your HSBC Loyalty Cash ISA application has been received and opened by us, we will send you a welcome letter and declaration form (unless you opened your account in branch in which case you will be handed copies of all relevant documents at this time). We will also send you a pack containing the terms and conditions of the account together with an interest rate insert.

## Important notes

The information in this brochure is based on our understanding of current UK tax law and HM Revenue & Customs practice at the time of going to press. Future changes in UK tax law and practice could affect this information. The tax treatment of an ISA will depend on individual circumstances. Current tax treatment may not be maintained in the future.

All ISA providers are required to report details of ISA subscriptions made by their customers to HM Revenue & Customs (HMRC) so that HMRC can check that individuals do not exceed the limits.

### **Cancellation**

If you decide that you no longer want your Loyalty Cash ISA you have 30 days from the day we open your Account (or, for telephone applications, the day you receive the Terms and Conditions in the post) to cancel your contract with us free of charge by closing your Account. This can be done by writing to us at HSBC UK Bank plc, Forum 1, The Forum, 1st Floor, Fareham, Hampshire, PO15 79A or via our Personal Internet Banking service. We will close your Account and pay you the balance in it with gross interest at the appropriate rate.

After you have cancelled your application you will have the opportunity to open another cash ISA within the same tax year as HM Revenue & Customs will treat the cancelled subscription as if it had never taken place. For applications made close to the end of the tax year and then cancelled in the following tax year, you will not be able to open a cash ISA for the previous tax year.

If you don't exercise your right to cancel, the HSBC Loyalty Cash ISA will continue with us in accordance with the terms and conditions of the account.

If you decide that you want to close the Account after the 30-day cancellation period then we will need written confirmation of this or instructions via our Personal Internet Banking service. You will not then be able to subscribe to another cash ISA within the same tax year.

If, following the transfer of an ISA to us from another ISA manager, you wish to cancel your Account but still retain the tax benefits of holding the money transferred in an ISA, you will have the option of transferring the ISA back to the original ISA manager (if they agree) or to another ISA manager. Alternatively, you may want to withdraw any money transferred to us and if you do we will pay this to you together with gross interest earned. If you withdraw in this way you will lose the tax benefits of a cash ISA.

### **Funding ISAs for children**

If a parent gives their child funds to invest in an ISA\* and the income arising on all gifts from that parent to their child in the tax year exceeds £100, then all the income will be treated as the parent's for tax purposes. Even though the income arises in an ISA, it will be taxable and the parent should report the income to their tax office.

\* Please note that the child must be 16 years or over to be eligible for a cash ISA.

HSBC do not currently offer a Junior ISA.

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme.

For further information about the scheme (including the current limits, amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website **FSCS.org.uk** or call the FSCS on **020 7741 4100** or **0800 678 1100**.

### **How to complain**

If you are unhappy in any way with our products and services then please let us know. You can ask for a copy of our leaflet 'Listening to your comments'. This may help you to present your concerns to us.

If you ever need to complain, please write to us or call us.

HSBC UK Bank plc and HSBC Trust Company (UK) Limited are members of the Financial Ombudsman Service, so if you're not satisfied with our response, you can complain to:

**Financial Ombudsman Service**  
**Exchange Tower**  
**London E14 9SR**

Telephone: **0300 123 9 123**

Email: **complaint.info@financialombudsman.org.uk**

The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you have been categorised by a provider of products and services as a retail client they may not regard you as an eligible complainant. Complaining to the Financial Ombudsman Service won't affect your legal rights. A written copy of our complaint procedure can be obtained by calling us.

## **hsbc.co.uk**

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### **Issued by HSBC UK Bank plc.**

Forum 1, The Forum, 1st Floor, Fareham, Hampshire, PO15 7PA.

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