

**first direct**

**Key Facts  
for Cash ISA  
Effective from 18 April 2012**

# Introduction

Because life is busy and financial decisions are becoming more complex, **first direct** seeks to clarify issues for you and present choices which we believe might meet your needs.

This brochure introduces **first direct**'s Cash ISA product and outlines the other options that are also available to you.

It is designed to provide you with sufficient information to decide if **first direct**'s Cash ISA meets your savings needs. We have included a section entitled 'Key Features of **first direct**'s Cash ISA', which we strongly recommend you read.

Although ISAs may be regarded as quite complex, we have tried to keep this brochure simple. However, if after reading it you feel you need further information about **first direct**'s Cash ISA, please call us on **08 456 100 100**.

## What is an ISA?

An ISA is a tax efficient way of saving or investing as all income and capital gains arising within an ISA are exempt from any personal liability to UK Income Tax and Capital Gains Tax.

There are two types of ISA:

- stocks and shares
- cash.

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 subscribe to an ISA?

Because of their tax advantages ISAs are subject to annual subscription limits. The overall ISA subscription limit is currently £11,280 for tax year 6 April 2012 to 5 April 2013. Up to £5,640 of this overall limit can be saved in a cash ISA with one provider. The remainder of the £11,280 can be invested in a stocks and shares ISA with either the same or another provider. Alternatively, the full £11,280 can be invested in a stocks and shares ISA with one provider.

Please note that each year 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. ISAs may be transferred to another ISA with the same or a different ISA provider. When an ISA is transferred in this way, the amount transferred is not a subscription and therefore does not count towards the subscription limits explained above. It is not possible to transfer a stocks and shares ISA to a cash ISA.

Once you have already reached your ISA subscription limit for a tax year then, for the remainder of that tax year it is not possible to reinvest any money you have previously withdrawn from an ISA.

ISAs can only be held in a sole name, jointly held ISAs are not permitted.

To maximise your ISA allowance, subject to the Terms and Conditions of the ISA product(s) you choose, you can invest a lump sum, make regular payments, or both into cash and/or stocks and shares, up to your annual ISA allowance.

There's no commitment to tying up your money for a minimum investment period, however, the stocks and shares option must be viewed as a long term investment, ie: for at least five years.

**Remember that the value of shares can go down as well as up and you may not get back the amount you originally invested.**

You may make transfers between ISAs in the ways listed below – please check on any specific product terms before transferring an ISA. Please note that when transferring from one ISA to another, the amount transferred does not count towards the annual ISA subscription allowances:

- between ISAs of the same type, that is, cash ISA to cash ISA and stocks and shares ISA to stocks and shares ISA
- cash ISAs to stocks and shares ISAs but not transfers from stocks and shares ISAs to cash ISAs
- current tax year subscriptions must be transferred in whole, but previous tax year(s) subscriptions can be transferred in whole or in part.

Please note that if a current tax year cash ISA subscription is transferred to a stocks and shares ISA, under the ISA Regulations the subscription is retrospectively deemed to have been subscribed directly to the stocks and shares ISA.

# Key Features of first direct's Cash ISA

The Financial Services Authority is the independent financial services regulator. It requires us, **first direct**, to give you this important information to help you to decide whether our 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.

## Cash ISA

Summary Box and Key Product Information	
<b>Account name</b>	<b>Cash ISA</b>
<b>Interest rates</b>	Interest is calculated daily and applied monthly.  For full details of our latest rates, please see the enclosed rates and tariff sheet.
<b>Tax status</b>	Interest is paid tax-free, that is free of UK Income Tax.
<b>Conditions for bonus payment</b>	No bonus payments are made on this account.
<b>Withdrawal arrangements</b>	Charge free instant withdrawals can be made by transfer to another <b>first direct</b> account in your name, over the phone, via Internet Banking or by cheque. Transfers to other banks may take longer.
<b>Access</b>	The account application details must be completed online, but, once opened, the account can be operated online, by telephone or by post.

### Who can have a Cash ISA?

Customers need to be aged 18 or over and usually need to be both resident and ordinarily resident in the UK for tax purposes.

**If you wish to transfer an existing cash ISA from another ISA manager to us, please call us on 08 456 100 100 or textphone 08 456 100 147.**

## Cancellation Rights

**first direct's** Cash ISA comes with a 14 day right to cancel. If you change your mind about taking out our ISA during this time, we will cancel your application and pay you the balance of your account with interest. 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 an account for the previous tax year.

### ISA transfers

If you wish to cancel your **first direct** Cash ISA following a transfer of a cash ISA to us from another ISA manager, but would like to retain the tax benefits of a cash 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.

# What should I do next?

## Cash ISA

If you have decided that the **first direct** Cash ISA is the most appropriate for you then:

- log onto Internet Banking if you are already a **first direct** customer or **firstdirect.com** if you are not. Then complete the online application form including your National Insurance Number if you have one
- complete the payment section on the application form for fund transfer or standing order.

You can subscribe to one cash ISA and one stocks and shares ISA each tax year up to the maximum allowed by the Regulations.

Once you have applied we will tell you if your application has been successful and when we will open your account. This may be subject to appropriate identification, address verification or other specified documentation being produced to us.

## Further Information

### Complaints

If you are unhappy with any aspect of our products or services, then please let us know by calling us on **08 456 100 100**, send us a secure e-message via Internet Banking or write to us at: **first direct**, 40 Wakefield Road, Leeds LS98 1FD.

For full details of our complaint handling procedures, you can ask for a copy of our 'listening to your comments' leaflet or visit 'legals' at **firstdirect.com**

If we cannot resolve your complaint, ultimately you may refer it to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.  
Telephone: 0845 080 1800  
email: [complaintinfo@financial-ombudsman.org.uk](mailto:complaintinfo@financial-ombudsman.org.uk)

### Financial Services Compensation Scheme

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 - including most individuals and small businesses - are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to the current FSCS limit for deposits. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, each depositor would have a separate claim up to the FSCS deposit limit and so the maximum amount that could be claimed in total would be twice the current FSCS deposit limit. The FSCS deposit limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

**first direct** and HSBC are both trading names of HSBC Bank plc and customers who hold deposits under both trading names will only be eligible for one claim of up to the FSCS deposit limit in total.

For further information about the scheme (including the amounts covered and eligibility to claim) refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call 020 7892 7300 or 0800 678 1100.

HSBC Bank plc's registered VAT number is GB365684514 and its company register number is 14259.

### Data Protection

Under the data protection legislation you can ask in writing for a copy of any personal records we hold about you. We may make a charge for this service.

### Law

These key features and our Terms and Conditions and our dealings with you until the time you enter into the contract shall be read and interpreted in accordance with the laws of England and Wales and you and we submit to the non-exclusive jurisdiction of the English and Welsh Courts. These key features and our Terms and Conditions are in English, which is the language we will use in our communications with you.

# first direct

Call us any time on

**08 456 100 100**

Or visit us at

**firstdirect.com**

## 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 print. Future changes in legislation and UK tax law and practice could affect the information.

Tax efficient means free of UK Income Tax. AER: The Annual Equivalent Rate is a notional rate which illustrates what the gross rate would be if interest was paid and compounded each year. Gross: The rate paid before the deduction of any basic rate UK Income Tax applied to interest on savings at source where required (such a deduction is not required for cash ISA interest).

**first direct** offers cash ISAs for cash deposits and stocks and shares ISAs. Each ISA type can also be obtained from different ISA managers.

If you are unsure whether these products are suitable for you, or you wish to discuss your tax allowances, please seek independent advice.

**first direct** is a division of HSBC Bank plc, which is authorised and regulated by the Financial Services Authority, registered number 114216. You may check HSBC's name, address and statutory status by calling 0845 606 1234 or via the FSA website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register).

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