

Important changes.

to the **first direct** Shares Service Stocks and Shares ISA Terms and Conditions (the “Terms”).

Please read this notice carefully and keep it in a safe place for future reference.

These changes will be effective from **26 November 2021**.



We're making variations to the Terms to reflect changes to how the **first direct** Shares Service Stocks and Shares ISA will work, or to clarify how the **first direct** Shares Service Stocks and Shares ISA works currently. We're providing you with at least 30 days' written notice in line with our obligations under the Terms. We're also making changes to the Key Features of the **first direct** Shares Service Stocks and Shares ISA (the "KFD") and **first direct** Shares Service Stocks and Shares ISA rates and fees. These changes will come into effect from **26 November 2021** unless expressed otherwise within this document.

The changes being made to the Terms, KFD and Rates and Fees are explained in this Notice of Variation. Where necessary, we've also updated clause references and made minor and/or other typing amendments which are not in this Notice of Variation. Copies of each of the amended documents will be available on our website at **firstdirect.com/terms-and-conditions** from **26 November 2021**.

Expressions defined in the Terms and used in this Notice of Variation shall have the meaning given to them in the Terms. **Please read the information set out in this Notice of Variation and keep it in a safe place for future reference.**

Do I need to do anything?

If you're happy to accept the changes, you don't need to do anything. If we don't hear from you before **26 November 2021** about the changes, we'll assume you accept them and agree to the updated Terms. If you don't accept them, you have the right to close your account(s) with us before the changes take place with no charge by calling us on the number below. However, it's important to note that if the value of your Investments has fallen, you may get back less than you paid in.

How to contact us.

Please contact us on **03 456 100 105** (dial **+44 113 234 5678** from overseas) if you'd like to discuss the changes set out below. Lines are open 7.30am - 5pm Monday to Friday excluding public holidays.

Changes to the Terms.

Section – Glossary.

We've removed the defined terms for 'FCA Rules' and 'Rates and Fees Page' as these are defined in the **first direct** shares Terms and Conditions documents.

Section – Glossary.

We've changed the defined term from 'Laws' to 'Applicable Laws'.

Section – Glossary.

We've added the defined term 'PRA' which will read as follows:

***PRA** means the Prudential Regulation Authority, (with its head office address at 20 Moorgate, London, EC2R 6DA), a regulatory body in the United Kingdom, or any successor regulatory body.*

Section – Glossary.

We've simplified the defined term for 'Rules' which will read as follows:

***Rules** means the rules set out by the FCA and/or PRA that apply to us.*

Interpretation of and Changes to the Terms – Clause 2

We've reorganised this section to make it easier to read, as well as to clarify that we will not notify you of changes to third party charges outside of our control. This section will now read as follows:

2. Interpretation of and Changes to the Terms.

2.1 *This Agreement will replace the terms of any agreements which we have previously entered into with you in respect of the Account. If there is a contradiction between information either on our Website or otherwise notified to you relating to the Account and these Terms, or any conflict between these Terms and the first direct shares service Terms, then these Terms will prevail.*

2.2 *We may amend this Agreement (including by the introduction of new charges or fees or making changes to the amount, rate or basis on which we calculate and/ or charge, or by changing the nature of the service we provide you under these Terms or the features of the Account including by removing any part of or restricting the scope of the service we provide you under these Terms) in the following ways:*

- i. if we reasonably consider that the change is favourable to you, by telling you about it within 30 days of the change;*
- ii. if the change is not favourable to you, by giving you at least 30 days' written notice before we make the change.*

2.3 *We may make any change to this Agreement for all or any of the reasons set out in this clause 2 that apply, namely:*

- if the change is favourable to you; or*
- following, or in anticipation of, and to reflect a change in relevant law or regulation or to reflect a change in industry guidance or code of practice or good banking practice; or*
- to respond to the making of a recommendation, requirement or decision of any court, ombudsman, regulator or similar body; or*
- to reflect any change in the base rate or any rate that replaces it set by the Bank of England or by any bank that takes over responsibility for setting such a rate; or*
- to reflect any change or anticipated change in interest rates charged by other major banks or financial institutions in the UK; or*
- to reflect changes or anticipated changes in costs associated with changes in relevant market conditions, changes in technology, changes in the costs we pay others, changes in inflation and/ or changes in accounts, services or facilities we provide; or*
- to make these Terms clearer; or*
- to respond to any changes in our systems and procedures, including any change arising from the reorganisation of our business as a result of it being acquired or by our acquiring another bank or organisation; or*
- to reflect the costs or consequences of any event beyond our control that may impact upon our provision of accounts, services or facilities to you; or*
- to respond to our internal policies on competitiveness, market share and/ or the profitability of our business as a whole, where we are not acting dishonestly, for an improper purpose, in a manner which inappropriately discriminates against a particular customer or as an unreasonable financial institution would.*

2.4 *Where we make a change under this clause 2, the change will be proportionate to the underlying reasons for the change and in accordance with Applicable Laws.*

2.5 We may also make changes to these Terms (including introducing new charges or fees or changing the amount, rate, or basis on which we charge, or by changing the nature of the service we provide you under these Terms or the features of the Account including by removing any part of or restricting the scope of the service we provide you under these Terms) or for any other valid reason that applies and is not described in this clause 2. We will always give you at least 30 days' prior written notice of such a change. Please note however that we'll not notify you of any change in third parties' taxes or charges attributable to Investments, the imposition and amount of which are outside our control.

2.6 You may without charge close your Account in accordance with clause 9 within 30 days of the date of any advance notice of a change we send you or, if longer, up to the date upon which the change is due to take effect. If you do not tell us that you want to close your Account by this time, then you will be deemed to have accepted such a change and the change will take effect automatically. If you close your Account without transferring to another ISA manager the investment will no longer be contained within an ISA.

Subscribing to and Operating your Account – Clause 3.10

We have amended clause 3.10 to make clearer what we will do if your Account becomes void or no longer exempt from UK income tax and/or capital gains tax. This will now read as follows:

3.10 We'll notify you if, by reason of any failure to satisfy the provisions of the Regulations, your Account has or will become void or no longer exempt from UK income tax and/or capital gains tax. If all or part of your Account is void then, where possible, we'll look to transfer the affected Investments (together with any cash, where applicable) into your **first direct** shares service Account. If it's not possible to transfer the affected Investments in this way (for any reason) we'll sell those Investments and pay the proceeds into your **first direct** shares service Account together with any cash balance held in the Account. Where we need to void all or part of your ISA Account, the Account will be restricted for up to 3 business days. This means you won't be able to place any purchase or sell orders during this period. We'll normally notify you of the restriction 10 business days before it's put in place. We may deduct any accrued charges and any additional expenses incurred terminating the Account including any amounts payable by you under clause 3.11 and any amounts referred to in clause 9.1.

Investments and Income – Clause 4.5

We've amended clause 4.5 to explain that we'll contact you in writing if we're no longer able to support holding a particular Investment which will read as follows:

4.5 We may not offer the full range of Investments available in the Regulated Market. We will tell you which Investments you can deal in using the **first direct** shares service. We reserve the right to remove or suspend any Investment from the **first direct** shares service if there is extreme market volatility or for any other valid reason we may tell you of. However, if you've already asked us to buy an Investment before we decide to remove or suspend that Investment from the Service, we'll still try to enter into a deal for that order on your behalf. Also, if you have an Investment in your Investment Account which has been suspended or removed from the **first direct** shares service, we may still allow you to hold or sell that Investment. If we're no longer able to support holding an Investment for you we'll inform you in writing with sufficient notice before any sale of the Investment is undertaken.

We also reserve the right not to make all Investments available to all customers. If we do include or exclude a particular Investment when providing the **first direct** shares service to you, this does not mean we are giving you any advice as to the suitability or appropriateness of that Investment.

Transfers – Clause 7

We have amended clause 7 to make it clearer that your Account must be open before any ISA can be transferred which will read as follows:

7.1 Subject to the provisions of this clause 7 and in accordance with the Regulations, you may instruct us to transfer all or part of an ISA that you hold with another ISA manager to us. We only accept the transfer of current Tax Year subscriptions in full, any prior Tax Year(s) subscriptions may be transferred in full or part. We don't accept transfers from innovative finance ISAs or Lifetime ISAs. You must also notify us of your wish to effect the transfer by completing, signing and posting a Transfer Form to us. We'll then contact the relevant ISA manager(s) on your behalf and arrange the transfer for you. We reserve the right in our sole discretion to reject any request for a transfer to us of any existing ISA.

Please note that before transferring all or part of an ISA that you hold with another manager to us, you will first need to open an Account.

Closure of your Account by us – Clause 10.1 and Clause 10.2

We have amended clause 10.1 to better define the reasons why we might close your Account and end this contract with you. This has been split into clauses 10.1 and 10.2 and will read as follows:

- 10.1** *Subject to the Regulations, we may at our absolute discretion end this contract with you and close your Account immediately in any of the following situations:*
- 10.1.1** *if you've seriously and/or persistently breached any of your obligations under the Terms;*
- 10.1.2** *if there has been, or we've reasonable grounds to suspect there has been, Financial Crime involving your Account or any transactions on your Account;*
- 10.1.3** *if there has been, or we've reasonable grounds to suspect there has been, suspicious activity on your Account;*
- 10.1.4** *if we've reasonable grounds for believing you've committed or are about to commit a crime in connection with your Account;*
- 10.1.5** *if you've not satisfied any of our anti-money laundering requirements;*
- 10.1.6** *if you fail to pay for any Trades;*
- 10.1.7** *if there is a change in Applicable Laws or regulation that requires us to do so;*
- 10.1.8** *if you're no longer eligible for an Account;*
- 10.1.9** *if you've given us false information in connection with your Account (for example, in your Application);*
- 10.1.10** *if you close your Account and/or Nominated Account (or you choose to switch to another bank using the current account switch service and to not retain another Nominated Account with us); or*
- 10.1.11** *if your Account (or other account(s)) is/are being or have been used illegally or if we reasonably believe that your conduct will adversely affect the ability of our other customers to trade or the terms on which they trade (for example, if you were to deal repeatedly in many small lots, rather than one large lot so the market maker refuses to deal, or will only deal at a less favourable price in the future).*
- 10.2** *We'll give you notice in writing immediately after your Account has been closed under clause 10.1.*

Your Information – Your responsibilities - Clause 17.1.2

We have amended clause 17.1.2 to permit us to block or close your account where you don't provide us with information we reasonably require or where we suspect fraudulent or criminal activity of any kind. This will read as follows:

- 17.1.2** *If we make a reasonable request for information, you must give it to us as soon as possible. If you don't give it to us, or if we suspect fraudulent or criminal activity of any kind:*
 - a. *you might not be able to carry on doing some or all of your banking with us anymore;*
 - b. *we might try to get it from another source, ourselves;*
 - c. *we could block or close your Account*

General Terms – General – Clause 19.1

We've amended clause 19.1 to make the process of making a complaint clearer and easier to understand, including the steps we will take once we receive your complaint. This will now read as follows:

- 19.1** *If you're unhappy in any way with our products and services then please let us know. When we get your complaint, we'll issue you with an acknowledgment letter which includes details of our complaint handling process entitled 'Listening to your comments', which explains how we'll handle your complaint.*

A written copy of our complaint procedures is available on request.

If we cannot resolve your complaint in the first instance, you can refer it to:

Financial Ombudsman Service

**Exchange Tower
Harbour Exchange
London E14 9SR**

Telephone: **0800 023 4567** or to call from abroad **+44 20 7964 0500**

Email: **complaint.info@financial-ombudsman.org.uk**

Website: **financial-ombudsman.org.uk/contact-us**

The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you've 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 ombudsman will not affect your legal rights.

Changes to the KFD.

Section – How do I apply?

We've updated this section to make it simpler. This section will read as follows:

How do I apply?

To apply for a **first direct** shares - Stocks and Shares ISA, log in to your **first direct** shares account and select ISA from the 'products and services' page of our website and follow the guidelines provided. Alternatively, call us.

The **first direct** shares service is an execution-only service. This means that we execute the Investment dealings you ask us to and we do not provide you with any advice or personal recommendations. The only duty we owe you is to achieve the Best Possible Result for your orders in Financial Instruments and any other duties are expressly excluded from the **first direct** shares service.

We don't provide any investment advice or personal recommendations. As such, any Investments you make are your own decision which means that we're not required to assess the suitability and appropriateness of any investment for you and you'll not be protected by the Rules on assessing suitability and appropriateness. If you have any doubt as to the suitability or appropriateness of an investment you should speak to a financial adviser for advice. The value of your investments (and the level of income you receive from them) can fall and so you may not get back the amount you originally invested. Any instructions placed will be on an execution only basis.

Please note that you may incur a charge for any advice sought.

Section – How long does it take to open a first direct shares - Stocks and Shares ISA?

We've amended this section to reflect our new timescales for account opening which will read as follows:

How long does it take to open a first direct shares – Stocks and Shares ISA?

The application, once completed, will be reviewed and if everything is in order your account will open within three business days.

If you apply over the telephone your account will also be open within three business days. We will send you a post sale declaration confirming the answers given over the telephone, which you must check and contact us if any of the information on the declaration is incorrect.

Section – Can I transfer my existing ISA to a first direct shares – Stocks and Shares ISA?

We have amended this section to make it clearer that your Account must be open before any ISA can be transferred. We have also made our transfer timescales clearer and this section will now read as follows:

Can I transfer my existing ISA to a first direct shares – Stocks and Shares ISA?

We accept transfers of existing Stocks and Shares ISAs and Cash ISAs. However, we don't currently accept transfers from innovative finance ISAs or Lifetime ISAs. Please note that before transferring all or part of an ISA that you hold with another manager to us, you will first need to open an Account.

Just complete the Transfer ISA form, which can be found by selecting 'Share Transfer' on the 'Products and Services' page of our website. Once we receive your completed form we'll liaise with your current ISA manager to complete the transfer.

You can instruct us to arrange with your current ISA manager to either transfer your shares to us or to sell them and transfer the settlement proceeds. Your existing ISA manager may make a charge for the transfer. The transfer of an ISA may take up to 30 days. If you choose to transfer shares to us, you'll not be able to sell your shares until the transfer process is complete.

Please note your existing ISAs may contain investments which are not traded by shares. These investments will need to be sold by your existing ISA manager and the proceeds transferred as cash.

You must not withdraw your cash and/or investments from an ISA and re-invest them in another ISA yourself, as it will count against your annual ISA allowance. Both the shares and cash must pass directly from your current ISA manager to us.

Section – Complaints.

We've amended this section to make the process of making a complaint clearer and easier to understand, including the steps we will take once we receive your complaint. This will now read as follows.

How to complain.

If you're unhappy in any way with our products and services then please let us know. When we get your complaint, we'll issue you with an acknowledgment letter which includes details of our complaint handling process entitled 'Listening to your comments', which explains how we'll handle your complaint.

A written copy of our complaint procedures is available on request.

If we cannot resolve your complaint in the first instance, you can refer it to:

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London E14 9SR

Telephone: **0800 023 4567** or to call from abroad **+44 20 7964 0500**

Email: **complaint.info@financial-ombudsman.org.uk**

Website: **financial-ombudsman.org.uk/contact-us**

The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you've 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 ombudsman will not affect your legal rights.

Changes to our Interest rates and charges document.

Sharedealing – Trading Taxes and levies.

We've amended the published Irish Stamp Duty rate to 1.0% as this was incorrectly shown as 0.1%.

We have also added in information about the Spanish Financial Transaction Tax (SFTT) including the rate of SFTT that will apply on purchases. This section will now read as follows:

- *UK Stamp Duty Reserve Tax* on purchases of UK registered stocks settled by CREST (rounded up to the nearest 1p) – 0.5%*
- *UK Stamp Duty* – Non CREST eligible and CREST eligible residual stocks are subject to Stamp Duty of 0.5% (where total consideration is over £1,000) rounded up to the nearest £5. – 0.5%*
- *Irish Stamp Duty* – 1.0%*
- *French Financial Transaction Tax* (FTT) – 0.3%*
- *Italian Financial Transaction Tax* (ITT) – 0.1%*
- *Spanish Financial Transaction Tax* (SFTT) – 0.2%*

Sharedealing.

We've amended the description of the section marked with an asterisk (*) at the foot of the table to make it easier to understand which will read as follows:

Charges marked with a * are not set by **first direct and are therefore outside of **first direct's** control. All other charges are set by **first direct**.*



Contact us online or by phone

send us a message via Online Banking

03 456 100 100[†]

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[†]Text-phone **03 456 100 147** or if calling from abroad **+44 113 234 5678** (Text Relay **+44 151 494 1260**).

For more information on contacting us via BSL Video Sign Relay visit [firstdirect.com/contact-us](https://www.firstdirect.com/contact-us).

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