

# Terms and Conditions

for the **first direct** shares service  
Stocks and Shares ISA

Effective on and from 31 August 2020

**first direct**

## Introduction

These Terms set out the details of the contract between you and us in respect of your Account. Please read them carefully in conjunction with the **first direct** shares service Terms and the Best Execution Disclosure Statement and Conflicts of Interest Policy contained therein.

Further information and an Application form for an Account can be found by visiting [firstdirect.com/sharedealing](http://firstdirect.com/sharedealing).

### Application Requirements:

You may only open or maintain an Account if you have a **first direct** shares service Account with us in your sole name. If you close your **first direct** shares service Account, your Account must be closed or transferred to another ISA manager at the same time. You may only open and make Subscriptions to an Account if you are resident in the UK for tax purposes or, if you are not so resident, you are a Crown Employee working overseas and paid out of UK public revenue or you are married to or in a civil partnership with a person who performs such duties, notwithstanding any local restrictions. In addition you must not have subscribed to another stocks and shares ISA in the same tax year unless you have transferred that ISA to us; and you must not have exceeded the overall subscription limit currently published by HM Revenue & Customs.

Subject to Term 7, you may transfer your ISA from another ISA manager to us, whether or not you are resident in the UK for tax purposes, without losing any of your tax advantages in accordance with the conditions of your existing ISA.

The value of any tax savings and eligibility to invest in an ISA will depend on individual circumstances. **first direct** shares service offers a stocks and shares ISA.

**first direct** shares service does not offer a cash ISA.

### Glossary

Except as otherwise specified in the Glossary, all Terms defined in the **first direct** shares service Terms have the same meaning when used in these Terms.

The following terms have the meanings specified below:

**Account** means **first direct** shares service Stocks and Shares ISA offered by us and entered into in accordance with this Agreement which will comprise an ISA account and a British Pounds Sterling denominated ISA cash account.

**Account Manager** means HSBC UK Bank plc.

**Additional Permitted Subscription** means an additional Subscription which you can apply to make into your Account following the death of your spouse or civil partner. The Additional Permitted Subscription will not count towards your current Tax Year ISA subscription limit.

**Agreement** means these Terms and the **first direct** shares service Terms.

**Application** means a properly completed application to open an Account with us which must be completed online or by such other means as we may accept (and which includes, in the case of an application to transfer an ISA to us, the Transfer Form).

**Assets** means Investments, income, interest, cash balances and any other rights and entitlements from time to time held within your Account.

**Associated Company** means any holding company of ours or a subsidiary of any such holding company.

**Authorities** includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

**Best Execution Disclosure Statement** means the statement concerning our best execution duties which is set out in Annex 3 of the **first direct** shares service Terms.

**Best Possible Result** means, when executing orders in Financial Instruments, on a consistent basis including, where possible, in situations of market stress, taking into account a range of factors which include: price; cost; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of the order in Financial Instruments to achieve the Best Possible Result. Price and execution costs will be paramount although factors such as the type of order, the type of Financial Instrument and the choice of Execution Venue will also be considered where necessary.

**Communications** means all communications between us and you by post, e-message, text message or telephone.

**Compliance Obligations** means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers.

**Conflicts of Interest Policy** means HSBC Group's conflicts of interest policy which is set out in Annex 4 of the **first direct** shares service Terms.

**Connected Person** means any natural person or legal entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include any guarantor or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group. A Connected Person may include any guarantor or owner of a legal estate in land over which we are to take security, provider or recipient of a payment or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

**Costs and Charges Disclosure Document** means the document that gives you important information about charges and the breakdown of costs you pay in respect of your Investments and the service we provide to you in relation to your Investments.

**Customer Information** means any Personal Data, confidential information, and/or Tax Information relating to you or a Connected Person.

**Crown Employee** means non-UK residents working overseas and paid by the UK Government categorised as Crown employees, including diplomats or members of the armed forces, and the non-UK resident spouse or civil partner of such Crown Employee.

**Execution Venue** means a venue for transactions in Financial Instruments that we believe offers the best prospect for us to obtain the Best Possible Result on a consistent basis.

**FCA** means the Financial Conduct Authority (with its head office address at 12 Endeavour Square, London E20 1JN), an independent body that regulates the financial services industry in the United Kingdom, or any successor regulatory body.

**FCA Rules** means the rules and guidance contained within the FCA Handbook and any direction given by the FCA with which we must comply.

**Financial Crime** means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or break any Laws relating to these matters.

**Financial Crime Risk Management Activity** means any action to meet Compliance Obligations relating to the detection, investigation and prevention of Financial Crime. This may include (a) screening, intercepting and investigating any communication, application for Services or any payment, whether sent to or by you or on your behalf, (b) investigating the source of or intended recipient of money, (c) combining Customer Information with other related information in the possession of the HSBC Group and/or (d) making further enquiries as to the status of a relevant person or entity (whether they are subject to a sanctions regime or confirming their identity or status).

**Financial Instruments** means those financial instruments (eg equities, bonds, OEICS and unit trusts) that are subject to a best execution obligation under the FCA Rules.

**first direct** means a division of HSBC UK Bank plc.

**first direct** shares service means the stocks and shares investments dealing service provided by **first direct** under the **first direct** shares service Terms.

**first direct** shares service Terms means the terms and conditions for **first direct's** shares service together with any relevant Supplemental Terms.

**first direct** shares service Account means your **first direct** settlement account and investment account as defined in the **first direct** shares service Terms.

**Gilts** means UK Government issued debt securities.

**HSBC Group** and "**any member of the HSBC Group**" means HSBC Holdings plc, and/or any of its affiliates, subsidiaries, associated entities, and any of their branches or offices, and includes HSBC Bank plc.

**Investments** means all investments which are listed in the relevant page of **first direct's** Website or otherwise notified to you from time to time and which under the Regulations are qualifying investments for the purposes of a stocks and shares ISA. We do not permit insurance products to be purchased in the Account.

**ISA** means an Individual Savings Account under the Regulations.

**Laws** include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or any other member of the HSBC Group.

**Payments** means any amount received from you or from another ISA manager on your behalf for payment into your Account.

**Personal Data** means any information relating to an individual from which they can be identified.

**Rates Page** means the specific page on **first direct's** Website or in paper format as amended and notified to you from time to time. It displays our current interest rates for your **first direct** shares service Account depending on the type of accounts you maintain with **first direct**, messages referring to interest rate changes and all our current fees for the provision of services subject to the **first direct** shares service Terms. In addition the Rates Page sets out details of third parties' taxes and costs attributable to specific Investments (the imposition and amount of which is outside our control).

**Regulations** means the Individual Savings Account Regulations 1998 as amended or replaced, as the case may be, from time to time and any other applicable statutes and regulations.

**Regulated Market** means the computer systems of an authorised market through which multiple parties can buy and sell the types of Investments which are admitted to trading under the rules of the market.

**Rules** means the FCA rules and the rules of the Prudential Regulation Authority (with its registered address at 20 Moorgate, London EC2R 6DA) that apply to us.

**Services** includes (a) the opening, maintaining and closing of your accounts with us, including your mortgage account, (b) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

**Scrip Dividend** means a distribution by a company in shares or a combination of shares and cash.

**Subscription** means the cash and/or shares subscribed or to be subscribed to your Account under the Regulations and these Terms, and where applicable, an Additional Permitted Subscription.

**Supplemental Terms** means any supplemental terms applicable to the specific products or services that we may offer you from time to time.

**Tax Authorities** means UK or foreign tax, revenue or monetary authorities (for example, HMRC).

**Tax Information** means documentation or information about a person's tax status, including yours.

**Tax Year** means a year beginning on 6 April and ending on the following 5 April.

**Terms** means these Account terms and conditions.

**Transfer Form** means the form that needs to be completed to transfer an ISA to the Account, which is available on our Website or from Customer Services.

**We, us, our** or **ourselves** means HSBC UK Bank plc.

**Website** means the location within **firstdirect.com** from which you can access the **first direct** shares service (as set out in the **first direct** shares service Terms).

**You** or **your** means the person whose name, address and other particulars are referred to in the relevant application.

## 1. Appointment and Authority

1.1 You appoint us as the Account Manager for your Account. We will operate your Account in accordance with this Agreement, your Application, the Regulations and the Rules.

1.2 We reserve the right to reject any Application. If your Application is not completed in full, it may not be accepted by us. We may not open your Account until you have provided us with all information which we consider relevant to it.

1.3 Your Application for an Account only covers the Tax Year in which you opened your Account. In order to make any Subscriptions to your Account during any future Tax Year, you must make a fresh application for that year.

1.4 On receipt of your Application for a current Tax Year Account, we will send you a copy of the declaration contained in your Application either in hard copy or electronically. You should notify us of any inaccuracies in your declaration within 30 days of the date we send you a copy of the declaration.

1.5 We are not able to advise you on your Investment dealings. 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.

You are solely responsible for your own Investment dealings when using the **first direct** shares service. We are not required to assess the suitability or appropriateness of any Investment or of the **first direct** shares service for you and the protection afforded by the FCA on assessing suitability and appropriateness does not apply. As a result, before deciding to deal in an Investment we suggest you consider whether you need to take independent financial advice on the particular Investment dealing and, where you think it is appropriate to do so, seek and act on that advice. You may be charged for any advice you receive.

## 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 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.

We may make any change to this Agreement for all or any of the reasons set out in this Term 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.

Where we make a change under this Term 2, the change will be proportionate to the underlying reasons for the change.

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 Term 2. We will always give you at least 30 days' prior written notice of such a change.

You may without charge close your Account in accordance with Term 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.

## 3. Subscribing to and Operating your Account

3.1 We do not segregate Assets by Tax Year but may segregate Assets in your current Tax Year Account from Assets representing previous Tax Years' Subscriptions if we need to do so.

3.2 You may make cash Subscriptions to your current Tax Year Account using any of the relevant methods specified from time to time on **first direct's** Website. We can only accept responsibility for Payments into your Account after we have received and checked them. You must not send us cash in the post.

3.3 You may make Subscriptions of shares that you receive from a savings related share option scheme or a share incentive plan directly to your current Tax Year Account. You need to make the Subscription within 90 days of:

- the exercise of the option date (in the case of a savings-related share option scheme); or
- the date on which the shares ceased to be subject to the plan (in the case of a share incentive plan).

The value of your Subscription will be calculated by reference to the aggregate market value of the shares at the close of business of the exchange on which the shares are listed on the date of transfer.

3.4 You can make an Additional Permitted Subscription to your Account. You must complete the relevant form each time that you wish to make an Additional Permitted Subscription.

3.5 If your spouse or partner died on or before 5 April 2018, the Additional Permitted Subscription must not exceed the combined value of your spouse or civil partner's ISAs which they held at the date of their death (including any income accrued, but not paid or credited to the ISA at the date of death), and must be made in accordance with the requirements set out in the Regulations.

3.6 If your spouse or civil partner dies/died on or after 6 April 2018, the Additional Permitted Subscription must not exceed the higher of the combined value of your spouse or civil partner's ISAs which they held at either (i) the date of their death (including any income accrued, but not paid or credited to the ISA at the date of death), or (ii) the point the ISA ceased to be a "continuing account of a deceased investor" (including any income accrued, but not paid or credited to the ISA at that date), and must be made in accordance with the requirements set out in the Regulations.

3.7 You may make several Additional Permitted Subscriptions; however, they must not, in aggregate, exceed the relevant values set out at 3.5 and 3.6 above and must be made within the timescales set out in the Regulations.

3.8 We will not accept an Additional Permitted Subscription where we know that the information you provide in the relevant form is false or where the requirements set out in the Regulations are not satisfied.

3.9 If you attempt to transfer cash and/or shares into your Account which would result in your Account exceeding the Subscription limit in any Tax Year, the cash and/or shares will be transferred to the **first direct** shares service Account.

3.10 We will 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 and/or Capital Gains Tax. If all or part of your Account is void we will sell the affected 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 Term 3.11 below and any amounts referred to in Term 9.1.

3.11 You agree to indemnify us against any sum which we are required to pay to HM Revenue & Customs for a liability to tax in respect of your Account or which we are required to pay to any third party in respect of your Account under any applicable laws.

3.12 You must inform us immediately if you stop being UK resident for tax purposes or cease to perform duties as a Crown Employee working overseas and paid out of UK public revenue or cease to be married to or in a civil partnership with a Crown Employee working overseas, in each case, we may require that you transfer your Account to another ISA manager or that you close your Account.

3.13 Where you have incurred a tax liability in respect of credit interest payments made to you on or after 6th April 2016 we will not deduct any amount in respect of these liabilities and it shall be your responsibility to account to HMRC for the full amount of such liabilities.

3.14 We may provide you with information including documentation via our Website [www.hsbc.co.uk](http://www.hsbc.co.uk) as permitted by the FCA rules and where you have agreed to this. By agreeing to these Terms you agree to receive information via the website. We will notify you of the website address electronically where such information will be available and updated from time to time. You agree that we may in particular provide the following to you via a website:

- our terms in relation to trading;
- a general description of the nature and risks of financial instruments;
- our published fee tariffs, Costs and Charges Disclosure Document and other information on our costs and charges);
- details of our Best Execution policies; and
- Key Information Documents (KIDs) and Key Investor Information Documents (KIIDs) (as required).

3.15 All telephone calls that lead or may lead to a transaction will be recorded and kept for seven years. You may ask us for a copy of any such record within the applicable seven year period.

#### 4. Investments and Income

4.1 The provisions of the **first direct** shares service Terms relating to Investment dealing and your **first direct** shares service Account will, except to the extent they conflict, or are inconsistent with these Terms or the Regulations, apply to your Account.

4.2 When placing an order to buy or sell Investments in your Account you must settle the trade through cash or Investments held in that Account and all Investments bought using cash held in your Account must be settled to that Account.

4.3 When placing a buy order for shares in respect of your Account you must enter a limit price which we will use to calculate the maximum potential settlement amount for the trade (including all commission, fees and taxes). You must have sufficient cash in your Account at the time the buy order is placed, to meet this maximum potential settlement amount. In the case of orders for Gilts, you must have sufficient cash in your Account at the time the buy order is placed to meet the cash amount of the order. For this purpose we will take account of cash due from Investments that have been sold but not yet settled, but we will deduct all cash which may become payable in respect of buy orders placed which have not yet settled.

4.4 You've the option to receive dividends in cash or, where available, as shares or other non-cash assets (in other words, scrip). Dividends will be credited to your ISA Investment Account as shares, or to your ISA Cash Account in cash, depending on the standing instruction that you give us or gave to us on opening your Investment Account. You can check or amend the status of your standing instruction by calling us on the number found at the bottom of this document

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 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. 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.

4.6 We will send you a paper statement by post every three months. Statements will be issued in March, June, September and December. We will send you a contract note (trade confirmation) for each deal you undertake. We will send the contract note (trade confirmation) to you by e-message on the Business Day following the day your order to buy or sell an Investment was successfully executed. You may ask for paper copies by telephoning on the number at the front of this document.

## 5. Assignment and Delegation

5.1 Subject to the Rules and the Regulations, we may delegate any of our functions or responsibilities under this Agreement to any person, provided that before doing so we shall, and we shall continue to, satisfy ourselves that such person is competent to carry out those functions and responsibilities.

5.2 We may assign all of our benefits and obligations under this Agreement to an Associated Company. You will be notified of any such assignment.

## 6. Death

6.1 If you die on or before 5 April 2018, your Account immediately ceases to be exempt from UK Income Tax and Capital Gains Tax and we will terminate your ISA. This means that any income which will arise in respect of the Account may be taxable and should be reported to HMRC. We will continue to hold the Investments but outside the ISA tax regime. We may use any money in your Account to reduce or repay any amounts you owe on other accounts with us anywhere in the same name. Subject to this, your Account will continue to be dealt with in accordance with this Agreement and also, subject to our discretion, in accordance with the instructions received from your personal representative(s) who will become subject to the Terms of this Agreement.

Your personal representative(s) must provide proof of the death and of their appointment. Following receipt of such proof as is reasonably acceptable to us, we will deal with your Account in accordance with the instructions of your personal representative(s) and all the monies in the Account will be transferred to them or as they direct following deduction of our charges incurred in administering and terminating the Account.

Any tax refunds claimed on your behalf after you die will be repaid to HM Revenue & Customs. We will provide the appropriate statements with regard to the Account and any relevant tax certificate to your personal representative(s).

6.2 If you die on or after 6 April 2018 we will designate your Account as a "continuing account of a deceased investor" in accordance with the Regulations. Your Account will remain as a "continuing account of a deceased investor" until the earlier of:

- the completion of the administration of your estate;
- the closure of your Account; and
- the third anniversary of your death.

We are not required to check with your executors if or when the administration of your estate has been completed.

While your Account is a "continuing account of a deceased investor", no Payments may be made into it but the existing Investments will continue to be held and will continue to benefit from ISA tax advantages. This means that any interest, dividends or gains in respect of Investments in your Account will be exempt from UK income tax and capital gains tax.

If the administration of your estate has not been completed by the third anniversary of your death, then your Account will cease to be a "continuing account of a deceased investor". This means that the Investments in your Account are no longer held in an ISA wrapper and subsequent income or gains on your Investments will become taxable.

Personal representatives appointed to administer your estate are not entitled to transfer a "continuing account of a deceased investor" into any other type of ISA, including:

- apply to us to change a stocks and shares ISA into a cash ISA, innovative finance ISA or Lifetime ISA or a different stocks and shares ISA product ; or
- request the transfer of a "continuing account of a deceased investor" managed by us to an alternative ISA Manager.

These Terms will continue to apply to your Account while it is designated as a "continuing account of a deceased investor", but we may choose to waive any fees and charges which become due in this period at our discretion.

## 7. Transfers

Subject to the provisions of this Term 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 do not accept transfers to your Account from innovative finance ISAs or Lifetime ISAs. You must notify us of your wish to effect the transfer by completing, signing and posting a Transfer Form to us. We will 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.

7.1 We may at our option accept the transfer of Investments from your existing ISA or we may require that they are sold and the transfer is made in cash. You will pay any charges that your current ISA manager makes in relation to the transfers and/or encashment.

7.2 In accordance with the Regulations, at your written request, and within the time you stipulate (subject to you giving us 30 days' notice), we'll transfer all or part of your Account, with, where appropriate, all rights and obligations of the parties to it, to another ISA manager provided they agree to the transfer. You'll need to make arrangements with the ISA manager to whom you wish to make the transfer. The new ISA manager will then contact us to arrange the transfer. While we'll normally carry out the transfer within the time you stipulate, there may be occasions when the transfer takes longer to complete due to circumstances beyond our control.

We'll not incur any liability to you for any loss you may suffer as a result. When we receive your request to transfer and confirmation of acceptance from the new ISA manager, we'll encash any shares in your Account and transfer the cash value of your Account, or, if requested by you, transfer the Account Investments (without first realising the shares) to the ISA manager of your choice. Current Tax Year Account Subscriptions can only be transferred in full.

## 8. Cancellation of ISA Agreement

8.1 You have 14 days from when we accept your Application to write to us at **first direct** shares service, 40 Wakefield Road, Leeds LS98 1FD, and cancel your Account. Any dealing fees incurred in buying and selling Investments in accordance with your instructions will still be payable. Cancellation only applies to the ISA 'wrapper'. If you cancel your Application, any shares or cash held in your **first direct** shares service Stocks and Shares ISA in relation to the Application being cancelled will, unless otherwise instructed, be transferred to your **first direct** shares service Account. Any cash within the cancelled Account will be returned to your **first direct** shares service Account (as appropriate). If you cancel a Subscription the amount returned may be less than the amount invested if there has been a downward movement in the value of your Investments from the date of investment to the date your instruction to cancel was received. If you cancel within the 14 day period you will not pay any charges for cancelling.

8.2 Should you choose to cancel your current Tax Year Account within the 14 day cancellation period, and the cancellation takes place in the same tax year in which your current Tax Year Account was opened, you will preserve your eligibility to open a current Tax Year Account either with us or another ISA manager, as HM Revenue & Customs will not treat this as a valid Subscription. Thereafter you can terminate your Agreement and close your Account at any time as detailed in Term 9.5 of these Terms.

8.3 Terminating your Agreement after the 14 day cancellation period may delay you from entering into another ISA agreement until the next Tax Year.

8.4 Whenever you cancel or terminate your Agreement and close your Account there may be charges for the transactions required to transfer your Assets out of your Account, except where you terminate in accordance with Term 2.2. Please see our Rates Page for details.

You will have to pay us any money due to us at the time you cancel or terminate according to the Terms of your Agreement notwithstanding cancellation/ termination.

8.5 A request to transfer your ISA in from another ISA manager has a 7 day withdrawal period starting from the time we receive your transfer request, after which the transfer process will commence and cannot be withdrawn. You must tell us in writing that you wish to withdraw your transfer request. If you withdraw within the 7 day period you will not pay any charges for withdrawal.

If you do not cancel within the 7 day or 14 day period (as applicable) above, thereafter you can terminate your Agreement and close your **first direct** shares service Stocks and Shares ISA at any time by writing to us.

## 9. Withdrawal and Closure by you

9.1 In accordance with the Regulations and subject to the provisions of this Term 9 and the provisions and time periods set out in the **first direct** shares service Terms, you may withdraw all or part of the Assets in your Account or any cash. At your request and within the time you stipulate we will:

- i. Pay you the amount of the withdrawal; or
- ii. Transfer to you Investments to the value of the amount requested for withdrawal.

Where you request us to transfer to you, Investments to the value of the amount requested for withdrawal we will normally carry this out within the time you stipulate, and in any case within 30 days, although there may be occasions where such transfers will take longer to complete due to circumstances beyond our control. We will not incur any liability to you for any loss you may suffer as a result.

Before we make a payment to you or transfer your Account or all or any of the Assets in your Account, we shall be entitled to deduct from the Account (and to the extent of any shortfall, any other account you hold with us) an amount necessary to discharge any obligations or liabilities incurred in connection with the Account (including tax liabilities in so far as is necessary) which may be due from you to any person including us and HM Revenue & Customs. If we subsequently receive any income arising from Investments transferred out, we will remit it to you or your new ISA manager (as appropriate).

9.2 You may withdraw cash from your Account by transferring it to your **first direct** shares service Account. Instructions to transfer cash may be given through the "move money" facility on **first direct's** Website, over the telephone or through such other means as we may agree. You may not withdraw cash from your Account to the extent that it may become payable in respect of buy orders placed which have not yet settled.

9.3 No partial withdrawal may be made for an amount less than our applicable minimum withdrawal limit for the Account. Any minimum withdrawal limit will be indicated on **first direct's** Website or otherwise advised by us from time to time.

9.4 If you withdraw any amount or investment from your Account or close your Account you will lose the tax benefits available on the amount or investment withdrawn from the day of withdrawal or closure. If you have subscribed in the current Tax Year to your Account, you may not close your Account with us and open a new stocks and shares ISA for the current Tax Year with another ISA manager, although you may transfer your Account to another ISA manager at any time.

9.5 You may without charge (subject to Term 8.4) close your Account at any time by giving us appropriate instructions. However, we may continue to debit or credit your Account with the amount of any withdrawal or transfer previously instructed which was not debited or credited prior to its closure and, in any event, we reserve the right to keep your Account open to receive any relevant claims to tax claims or tax credits.

## 10. Closure of your Account by us

10.1 Subject to the Regulations, we may at our absolute discretion close your Account at any time by giving you 30 days' written notice, unless there are circumstances which justify us in closing the Account on earlier notice. We may transfer the Assets of your Account to your **first direct** shares service Account or as you otherwise direct and we may agree.

10.2 Your Account will close if we stop acting as Account Manager. We shall give you reasonable written notice if we decide to do this. At the end of that notice period your Account will close, but in the meantime you may withdraw or transfer Assets.

## Suspending your service

10.3.1 We may suspend the service we provide you under these Terms or any part of this where we have a good reason to do so, and where the suspension is proportionate to the underlying reason for doing so. Where we do so, we will give you at least 30 days' prior written notice of our intention to do so. Where we do so, you may close your Account in accordance with Term 9 and/or transfer your Account to a different provider at any time up to the point at which the suspended service is reinstated.

10.3.2 Where we take steps to suspend the service we provide you under these Terms or any part of the service under this Term 10.3, we generally will not apply any fees for such service (or any suspended part of such service, where only part of the service is suspended) during the period of suspension nor will we charge you to close your Account and/or transfer your Investments to a different provider during the period of suspension, unless the reason for the suspension is:

- you have seriously or persistently breached the Terms;
- we reasonably suspect that you or your Account may be involved in financial crime or other illegal activity, or
- you have failed to satisfy anti-money laundering requirements.

10.3.3 We will notify you as soon as practicable of the suspension being lifted.

10.4.1 If your Account is closed for any reason and you do not tell us what you want to do with your Assets, we will contact you to obtain your instructions. If you do not tell us what you want to do with your Assets within a reasonable time, we may take necessary reasonable steps to return your Assets to you and (if we haven't heard from you) we may sell any Investments which form part of your Assets. Where you have a cash ISA with us, we may transfer your Account into such an account (where we are permitted to do so under relevant laws).

10.4.2 Where it is reasonable for us to do so, we may also take the following steps to return the proceeds of sale to you. Please note that if we take these steps, tax benefits available for an ISA will not apply to the proceeds of sale.

- We may deposit the proceeds of sale in your **first direct** current account or other personal **first direct** bank account in your name.
- We may send the proceeds of sale to you. This may mean that we will send a cheque to the last address we hold on record for you where it is reasonable for us to do so.

10.4.3 We will give you advance notice if we intend to sell your Investments in this way.

## 11. Ownership and Custody

11.1 All documents evidencing title to Assets in your Accounts are held by us (whether personally or via a delegate) or as we direct.

11.2 11.2 The provisions of the **first direct** shares service Terms relating to the custody of the Investments held in your **first direct** shares service Account will, except to the extent they conflict, or are inconsistent with, these Terms or the Regulations, apply to your Account. In accordance with the **first direct** shares service Terms, the title of all Investments held in your Account will be registered in the name of a nominee (except where otherwise specified in the **first direct** shares service, and in accordance with relevant legal requirements).

11.3 The Account Investments will be, and must remain in, your beneficial ownership. You may not use your Account as security for a loan. You may dispose of or transfer an interest in any Asset only through us and you may not create (or have outstanding) any charge or security on or over any Asset.

## 12. Minimum Balances

12.1 You must maintain a minimum balance in your Account equal to any applicable minimum balance requirement as indicated on our Website or as advised by us from time to time. We reserve the right to change our minimum balance requirement from time to time. If we do so, we will notify you in accordance with Term 2.2.

## 13. Interest Rates

13.1 Any cash in your Account will earn interest at the applicable rate specified in our published tariff, which also sets out information on when interest will be paid to you. On request, a full explanation of how interest is calculated will be provided. We reserve the right, at our discretion, to vary our interest rates at any time in accordance with the procedure set out in Term 2.2. Interest paid on the cash in your Account will be credited gross.

## 14. Documentation and Voting

14.1 For any Investment held in your Account, we can arrange at your request in writing (to us) for you to:

14.1.1 Receive a copy of the annual report and accounts for each company or other concern in respect of shares or securities in which you have invested; and

14.1.2 Attend meetings of shareholders or securities holders and exercise voting rights and receive information sent to such holders in addition to the annual report and accounts.

14.2 We do not accept standing instructions in respect of the matters referred to in Term 14.1 above for all Investments held in your Account. If you wish to exercise your rights referred to in Term 14.1 in respect of more than one investment held in your Account you must make a written request in respect of each relevant Investment.

## 15. Rights Issues, Takeovers etc

15.1 The **first direct** shares service Terms governing the exercise of rights attaching to your Investments will, except to the extent they conflict, or are inconsistent with, these Terms or the Regulations, apply to Investments held in your Account. However, all Payments due in respect of any such rights must be settled from your Account.

15.2 In the event that the exercise of any such rights results in any Investments being held in your Account which are not qualifying Investments for the purposes of the Regulations you must transfer them out of your Account or sell them. If you fail to do this within 21 days of the date on which the non-qualifying Investments are first acquired we will transfer them out of your Account and into your **first direct** shares service Account, or, at our discretion, sell them.



## 16. Fees, Charges and Expenses

16.1 Details of the commission and any other fees payable in respect of your Account are set out in our published tariff as indicated on our Rates Page. For the avoidance of doubt, you must also pay any applicable Value Added Tax, Stamp Duty, Stamp Duty Reserve Tax, other taxes, levies or other transaction costs.

16.2 We reserve the right to charge you for copies of annual reports and accounts and other information and/ or for arranging for you to attend meetings and/ or vote in respect of the Investments held in your Account as referred to in Term 14.1. Details of any such charges will be specified on our Rates Page or otherwise advised by us from time to time.

16.3 Subject to Term 16.4 below, you may specify whether the fees referred to in Terms 16.1 and 16.2 above should be charged to your **first direct** shares service Account (as appropriate). If you do not specify, these fees will be charged to your **first direct** shares service Account (as appropriate). In any event, if there are insufficient Assets in your Account to meet such fees, we may deduct any amounts owing from your **first direct** shares service Account (as appropriate).

16.4 All commission and all Stamp Duty payable in connection with the Investments held in your Account will be charged to your Account.

16.5 If you are in default in paying any amount due, interest and associated administrative and recovery costs will be payable by you on demand at the rate from time to time published in our Rates Page.

## 17. Your Information

### Privacy

17.1.1 Your privacy is important to HSBC. Our Privacy Notice explains how we collect, use, disclose, transfer and store your information and sets your rights in relation to your information. A copy of our Privacy Notice is available separately and we will inform you when we make any changes to it. You can find a copy at [www.hsbc.co.uk](http://www.hsbc.co.uk) or you can ask for a copy in branch or by telephone.

### Your responsibilities

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.

17.1.3 It's up to you to make sure the information you give us is accurate and up to date, and you must tell us if anything changes, within 30 days.

17.1.4 We'll use your information as explained in our Privacy Notice. We'll give it to others if we're compelled to do so by law, we've a public duty to disclose it, we need to disclose to protect our own interests (for example in any legal proceedings) or if we have your specific agreement. For example, if we believe you may have tax obligations in other countries, we may have to disclose information about you directly to HM Revenue & Customs (HMRC) or other local tax authorities.

## Tax Compliance

17.1.5 It's up to you to meet your tax responsibilities in the UK and any other countries where this arises. This relates to the opening and use of accounts and services provided by members of the HSBC Group. Some countries' tax laws may apply to you even if you don't live there or aren't a citizen of that country. Connected Persons, who are people connected with you in a way that's relevant to your relationship with us, are responsible for their own tax obligations. As you are responsible for your own tax obligations (and Connected Persons, for theirs), no HSBC Group member is responsible for this nor provides tax advice. It is your choice if you seek independent legal and tax advice.

### Actions we may take in order to prevent Financial Crime

17.1.6 Members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity"). Such action may include, but is not limited to:

- a. screening, intercepting and investigating any instruction or communication sent to or by you or a Connected Person, or on your or their behalf;
- b. investigating the source of or intended recipient of funds;
- c. combining Customer Information with other related information in the possession of any member of the HSBC Group: and/or
- d. making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming their identity and status.

17.1.7 Exceptionally, our Financial Crime Risk Management Activity may lead to us:

- a. delaying or refusing to either process a payment or your instructions;
- b. being unable to provide all or part of the Services to you and ending our entire relationship with you;
- c. taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or
- d. blocking or closing your account(s) (although not any of your mortgage account(s)).

17.1.8 To the extent permissible by law, no member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

## 18. Liability

18.1 Neither we nor our directors, officers or employees will be liable for any losses, costs, liabilities, expenses or damage incurred by you in connection with the Agreement unless caused directly by our or their negligence, wilful default or fraud. To the extent that such liability arises, and save where the law provides otherwise, we will only be liable to the extent that any losses, costs, liabilities, expenses or damage result directly from such negligence, wilful default or fraud. Subject to terms 18.4 and 18.6 and to Annex 5 of the **first direct** shares service Terms, neither our associates, agents or licensors nor any of their directors, officers or employees will be liable to you for any losses, costs, liabilities, expenses or damage incurred by you in connection with the Agreement.

In any case, no person will be liable for any losses they could not reasonably have expected to occur.

18.2 We will not be liable to you if we do not act on your instructions for any reason set out in the Agreement or if we cannot carry out our responsibilities to you because of any cause that we or our agents or sub-contractors cannot reasonably control. This exclusion includes any losses arising from the unavailability of the relevant network to users of our internet services or data entered through or data becoming scrambled, lost or wrongly communicated in transmission due to defects in the network, direct or indirect failure of power supplies, equipment, data processing and communication systems or transmission links and any losses arising because of strike or other industrial action to the extent that such matters are outside our or their reasonable control.

18.3 Nothing in the Agreement excludes or restricts any liability which we may have to you under Laws, Regulations or Rules or any liability for a matter that cannot be excluded or restricted by Laws, Regulations or Rules.

18.4 From time to time we may have to shut down our Website to enable us to perform essential work on, or major upgrades to, our service. We will make every effort to keep disruption to a minimum and to notify web users in advance if such shut down becomes necessary.

18.5 Nothing in these Terms will reduce your statutory rights, including your rights relating to the fairness of the Terms on which products, services and facilities are provided to you and any rights you may have to cancel, close or terminate your Account and/or claim compensation. For further information about your statutory rights contact your local authority Trading Standards Department.

## General Terms

### 19. General

19.1 If we do not deliver the standard of service you expect, or if you think that we have made a mistake, please let us know. We will then investigate the situation and, if necessary, set about putting matters right as quickly as possible. In addition we will take steps, where appropriate, to prevent a recurrence. Please allow us the first opportunity to answer any concerns to put matters right. However, if you remain dissatisfied and would like further information about our process for resolving complaints, please ask us for our explanatory leaflet "Listening to your Comments". This does not affect your right to make a complaint to the Financial Ombudsman Service at any time. Further information can be obtained by writing to the Financial Ombudsman Service, Exchange Tower, London E14 9SR or by visiting [www.financial-ombudsman.org.uk/consumer/complaints](http://www.financial-ombudsman.org.uk/consumer/complaints) or by telephone on 0800 023 4 567.

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 ombudsman will not affect your legal rights

19.2 HSBC UK Bank plc is covered by the Financial Services Compensation Scheme (FSCS). You may be eligible to compensation from the scheme if you have a valid claim against us in respect of investment business and we cannot meet our obligations. Most types of investment business are covered. Your eligible deposits (including cash balances in your settlement account) are covered separately by the 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.

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 UK 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 in respect of all amounts held by HSBC UK Bank plc. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call the FSCS on 0800 678 1100 or 020 7741 4100. Please note only compensation related queries should be directed to the FSCS.

19.3 To help improve our service and in the interests of security we may monitor and/or record your telephone calls with us. Our recordings are and shall remain our sole property.

19.4 The information on our Website is based on our understanding of current UK tax law and HM Revenue & Customs practice. Both UK tax law and practice can change and the tax treatment of ISAs may change in the future.

### 20. Governing Law

20.1 The Terms are governed by the laws of England and Wales. You and we submit to the non-exclusive jurisdiction of the courts of England and Wales. The Terms are in English and all Communications we send to you will be in English.



Contact us online or by phone

**send us a message via Online Banking**

**03 456 100 100<sup>†</sup>**

**firstdirect.com**

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<sup>†</sup>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**.

Because we want to make sure we're doing a good job, calls may be monitored and/or recorded, we hope you don't mind.

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