

Cash ISA – Key Features Document



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selftrade.co.uk

This document provides you with key information about Cash ISAs and how they work, so that you can make an informed decision about saving with a Selftrade Cash ISA.

What is an ISA?

ISAs, or Individual Savings Accounts, are savings vehicles offer a shelter from some elements of tax.

There are two types of ISA:

- Cash ISA: a savings account where you typically hold cash and earn interest
- Stocks and Shares ISA: where your money is invested directly into stocks and shares

There are different tax benefits available to each of these. In terms of the Cash ISA, interest earned on cash deposits is paid free of any UK income tax.

Although Selftrade offers a Stocks and Shares ISA, this document focuses on Cash ISAs. Further details on the Selftrade Shares ISA and its benefits can be found at www.selftrade.co.uk.

Who can open a Cash ISA?

The rules that define how ISAs work (ISA regulations) stipulate that you have to be a UK resident and ordinarily resident in the UK for tax purposes to open an ISA. They also state that anyone aged 16 years or over is eligible to open an ISA but you should note that you have to be 18 or over to open a Selftrade Cash ISA.

ISAs can only be opened by individuals; joint and company ISAs are not permitted.

How much can I invest in ISAs?

You can only subscribe to one cash ISA and one stocks and shares ISA in a tax year. There are also limits to how much you can save in each ISA. For the tax year from 6 April 2011 to 5 April 2012, the overall limit is £10,680. You can use this allowance in a variety of ways.

You can:

Subscribe up to £5,340 in a Cash ISA

OR

Subscribe up to £10,680 in a Stocks and Shares ISA

OR

Save up to £5,340 in a Cash ISA and put the remainder of the £10,680 overall limit into a Stocks and Shares ISA.

For example, if you choose to put £3,500 into a Cash ISA, you can put up to £7,360 into your Stocks and Shares ISA. Whichever, combination you adopt, you can never subscribe more than £10,680 overall or subscribe more than £5,340 to a Cash ISA. Once you have reached your full allowance, you are not allowed make any additional subscriptions, even if you make a withdrawal.

These limits are now linked to the Consumer Price Index and are subject to change each tax year. The overall limit for the 2012/13 tax year will be £11,280 and the Cash ISA limit will be £5,640.

What types of Cash ISA are there?

Typically, there are two types of Cash ISA – variable or fixed rate. With a variable Cash ISA the interest rate paid may change. With a fixed rate Cash ISA, the interest rate paid is fixed for the term of the product, usually between one and five years. Each Cash ISA will have its own specific features and terms.

Selftrade Cash ISA

Selftrade currently offers a variable rate Cash ISA which includes a fixed rate bonus. Accounts can be opened online and transfers in are welcome. For specific details, please visit www.selftrade.co.uk/cashisa.

Important information:

What happens if I open a Cash ISA and then change my mind?

If you change your mind within 14 days of Selftrade accepting your application, you can cancel your account by letting us know in writing, during this period. Your cancelled ISA will not count as an ISA subscription. Any interest that you have earned on your savings during this period will be paid gross. Please note that this only applies for new Cash ISA applications, not transfers in.

If you change your mind after this period, you can transfer to another provider or withdraw your money. If you withdraw your money, then you will lose the benefits afforded by the Cash ISA.

Are you covered by the Financial Services Compensation Scheme?

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank (like Selftrade) is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme. Please note that some people may not be eligible for compensation under the FSCS (see section 6 of our General Terms and Conditions).

In respect of deposits with a UK bank, an eligible depositor is entitled to claim up to £85,000 in compensation for losses across all of his/her deposits with that bank. The £85,000 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.

For further information about the FSCS (including the amounts covered and eligibility to claim), please refer to the FSCS website www.FSCS.org.uk or call 0207 892 7300 or 0800 678 1100.

How do I make a complaint?

We hope that you will be very happy with our services. In the event that you do have a complaint regarding our products or services you should send us a secure electronic message or write to Selftrade, Boatman's House, 2 Selsdon Way, London E14 9LA. Alternatively, you can call us on 0845 0700 720.

We will then deal with your complaint, following our internal complaints procedure. If you would like more details on this please contact us in any of the ways mentioned above.

In the unlikely event that we are still unable to resolve your complaint after following our complaints procedure, you may refer the matter to the Financial Ombudsman Service ("FOS"), an independent dispute resolution scheme.

The FOS can be contacted at South Quay Plaza, 183 Marsh Wall, London E14 9SR. 0845 080 1800.