

HSBC Fixed Rate Cash ISA: Everything you need to know

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, HSBC UK Bank plc, to give you this important information to help you to decide whether our Fixed Rate 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.

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What is an ISA?

General ISA Information

- Individual Savings Accounts (ISAs) are tax efficient accounts for savings and investments.
- Interest is paid tax-free, that means it is paid free from UK Income Tax and Capital Gains Tax.

What are the types of ISA?

- There are four types of ISA: a cash ISA, a stocks and shares ISA, an innovative finance ISA and a lifetime ISA. There's also a Junior ISA, which is a tax efficient savings account for children under 18.
- At this time, HSBC UK Bank plc doesn't offer an innovative finance ISA, a lifetime ISA or Junior ISA.

ISA Subscription limits

- The overall ISA subscription limit is £20,000 for the current tax year, within this the Lifetime ISA has its own annual payment limit (currently £4000).
- You can only subscribe to one type of cash ISA and one type of stocks and shares ISA across HSBC and fd.

Our Fixed Rate Cash ISA

The HSBC Fixed Rate Cash ISA is a deposit ISA which attracts a fixed rate of interest over a specific period of time (the fixed term). You have an initial 30 days from account opening to pay in either the minimum amount of £500 or for us to receive your transfer instruction. After this, the Fixed Rate Cash ISA will continue for a further 12 months.

Who is eligible to open a Fixed Rate Cash ISA?

- Individuals aged 18 and over.
- Must hold a HSBC UK current account
- In addition, in order to subscribe you need to be resident in the UK for tax purposes, or if not so resident, be a UK Crown employee serving overseas, or be married to, or in a civil partnership with, such a person.

Opening a Fixed Rate Cash ISA

You can open a Fixed Rate Cash ISA using our website:

hsbc.co.uk/savings/isas, by telephone or by visiting us in branch.

After we've opened your account, we'll send you a welcome letter and declaration form. We'll also send you the terms and conditions of the account.

You must pay in or instruct a transfer(s) in of at least £500 into the Fixed Rate Cash ISA within the first 30 days of account opening, which is the date of your welcome letter. This can be made up of either:

- Current tax year subscriptions.
- Transfer of current and/or previous tax years subscriptions from another cash or stocks and shares ISA.
- Or a combination of the two above.

Paying in (making a subscription)

When the account is open, subject to annual ISA limits, you can add money to the Fixed Rate Cash ISA via electronic payment as many times as you like, within the first 30 days from the date you open the ISA. You can't add new money to your Fixed Rate Cash ISA after this time.

Transferring In

You can instruct us to transfer in any current and/or previous tax year subscriptions from other cash ISAs or stocks and shares ISAs within the first 30 days of opening your account, which is the date of your welcome letter. We must have received your transfer funds from your existing ISA provider within 70 days of account opening.

Interest

We calculate interest on the daily cleared balance of your account. Interest will be paid tax-free.

Your money will be earning interest from the date the money is received into the account, up until the end of the fixed term.

If you have instructed us transfer funds in from another provider, the interest will be payable from the date we receive those funds. Therefore, if transferred in money is received after the first 30 days, but before the end of the 70-day transfer in period, that part of the deposit will receive less than 12 month's interest as the fixed 12-month period will have already started.

How to end your Fixed Rate Cash ISA early

If you change your mind after you open a Fixed Rate Cash ISA, you have a 30 day cooling off period.

For subscriptions, you have two choices under the cancellation rights in the HSBC cash ISA Terms and Conditions:

- Cancel your Fixed Rate Cash ISA subscription and have the proceeds paid to another HSBC account. You will be treated as if you did not subscribe to the Fixed Rate Cash ISA.
- Cancel your Fixed Rate Cash ISA and convert it to a Loyalty Cash ISA. Any subscriptions made to the Fixed Rate Cash ISA will be treated as if they were made to the Loyalty Cash ISA.

If you open an ISA close to the end of the tax year and choose to exercise your cancellation rights in the following tax year, you will not be able to open a cash ISA for the previous tax year.

For Transfers in, under the cancellation rights in the HSBC cash ISA Terms and Conditions you can:

- Cancel your Fixed Rate Cash ISA and convert to a Loyalty Cash ISA.

If you exercise any of these cancellation options in the first 30 days, no early closure fee will be charged.

After the 30-day cooling off period, if you change your mind you can:

- Close the account at any time. If you do this, any subscription made cannot be cancelled and will count as part of your annual tax free allowance. You will also lose the future tax benefits of continuing to hold the money in an ISA.
- Convert to a Loyalty Cash ISA at any time. If you do this, only subscriptions made to the Fixed Rate ISA during the current tax year will be treated as if they were made to the Loyalty Cash ISA.
- Transfer to another ISA provider to maintain the tax benefits of holding the money in an ISA. You will need to contact them and complete their transfer application.

If you exercise any of these options after the first 30 days, they may be subject to an early closure fee

Early closure fee

You may be subject to an early closure fee if you close it after the 30-day cooling off period. The early closure fee will be the lower of the interest earned on your account, or a maximum of 90 days' interest. This means that if you close your Fixed Rate Cash ISA before day 90 you could end up with no interest paid.

Statements

We'll send you a statement in the month you've made a payment or transfer in or out of your account. You'll then get a statement at the end of the fixed term.

At the end of the fixed term

At the end of the fixed term, we'll convert your Fixed Rate Cash ISA into a Loyalty Cash ISA, the next day. Your account number and sort code will remain the same.

We'll pay the interest from your Fixed Rate Cash ISA into your new Loyalty Cash ISA.

Going forward, you'll earn interest at the Loyalty Cash ISA rate applicable at the time. With the Loyalty Cash ISA, interest is variable, calculated daily and paid monthly.

The Loyalty Cash ISA is not a fixed term account so withdrawals will be free of charge. It isn't a flexible cash ISA, so any amount withdrawn will not change how much of your annual ISA subscription limit you have already used.

Tax

The details in this leaflet are based on our view of current UK tax law and HM Revenue & Customs (HMRC) practice. They're correct at the time it was printed. The value of tax benefits of an ISA will depend on individual circumstances. Tax rules may change in the future.

All ISA providers must report details of ISA subscriptions made by their customers to HMRC. This is so they can check that individuals do not exceed the limits.

Financial Services Compensation Scheme (FSCS)

We're covered by the FSCS. This can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme.

For further information about the scheme (including the current limits, amounts covered and eligibility to claim):

 please ask at your local branch

 visit fsics.org.uk

 call the FSCS on 020 7741 4100 or 0800 678 1100

If you have a complaint

Please get in touch if you're not happy in any way with our products and services.

You can ask for a copy of our leaflet 'Listening to you'. This explains how we deal with any complaints, and lets you know your options.

HSBC UK Bank plc is a member of the Financial Ombudsman Service. If you're not happy with our response, you can contact them. Their details are below:

 Financial Ombudsman Service, Exchange Tower, London E14 9SR

 0300 123 9 123

 complaint.info@financialombudsman.org.uk

The Financial Ombudsman Service will generally review complaints from retail customers. Even if you have been classed as a retail client by a provider, they may not regard you as an eligible complainant. Complaining to the Financial Ombudsman Service won't affect your legal rights.

Summary Box			
Account Name	HSBC Fixed Rate Cash ISA		
What is the interest rate?	Term	Balance	Interest Rate
	First 30 days + 12 Month fixed period	£500 +	4.60% AER (4.60% tax free)
<p>We calculate interest daily and credit this at the end of the fixed term. After the first 30 days, the Fixed Rate Cash ISA will continue for a further 12 months. This means it will stay open for approximately 13 months in total.</p> <p>Interest starts to accrue as soon as money appears in the ISA. If transferred in money is received after the first 30 days, but before the end of the 70-day transfer in period, that part of the deposit will receive less than 12 month's interest as the fixed 12-month period will have already started.</p>			
Can HSBC change the interest rate?	No, once we open your account, the rate will remain fixed for the duration of the fixed rate period.		
What would the estimated balance be after 12 months based on a £1,000 deposit?	Initial Deposit	Initial Rate	Balance at end of term
	£1,000	4.60% EAR (4.60% tax free)	£1,046.00
<p>This calculation is for illustration purposes only.</p> <p>We assume:</p> <ul style="list-style-type: none"> • The deposit is made on the last day of the 30 day cooling-off period. • No further deposits or transfers in. • No withdrawals. 			

How do I open and manage my account?**Eligibility:**

- Age 18 years or above.
- Must hold a HSBC UK current account.
- In addition, to subscribe you must be resident in the UK for tax purposes, or if not so resident, be a UK Crown employee serving overseas, or be married to, or in a civil partnership with, such a person.

How to open the account:

- This account can only be opened in a sole name.
- Open an account online, by phone or in-branch.

Minimum/Maximum Balance:

- A minimum of £500 must be deposited into the account. This can be made up of either:
 - Current tax year subscriptions.
 - Transfer of current and /or previous tax years' subscriptions from another cash or stocks and shares ISA.
 - Or a combination of the two above.
 - No maximum limit for transfers in.
- We must receive the minimum amount of £500 or transfer instruction within the first 30 days, and/or the transfer funds from your previous ISA provider within the first 70 days.
- The overall ISA subscription limit is £20,000 for the current tax year, within this the Lifetime ISA has its own annual payment limit (currently £4000).
- You can only subscribe to one type of cash ISA and one type of stocks and shares ISA across HSBC and fd.

How to manage the account:

- Once opened you can view your balance by using Online Banking and the HSBC UK Mobile Banking App (device restrictions apply), where you can chat to us 24/7 (subject to maintenance periods). You can manage the account using Telephone Banking or in branch.

<p>Can I withdraw money?</p>	<p>Any withdrawals must be in full and will result in the account being closed. You may be subject to an early closure fee if you close your account after the 30-day cooling off period. The early closure fee will be the lower of the interest earned on your account, or a maximum of 90 days' interest. This means that if you close your Fixed Rate Cash ISA before day 90 you could end up with no interest paid.</p> <p>Your early closure fee will be taken from the balance of your Fixed Rate Cash ISA.</p> <p>If you withdraw funds from your ISA you will lose the future tax benefits associated with holding that money in an ISA.</p> <p>At the end of the fixed term we'll convert your Fixed Rate Cash ISA into a Loyalty Cash ISA. Once the conversion process is complete you will then be able to access your money without incurring an early closure fee.</p>
<p>Additional Information</p>	<p>A 30-day cooling-off period applies to this account. The value of tax benefits provided by a cash ISA depend on your personal circumstances and tax rules may change in the future.</p> <p>Subscribing to a HSBC or fd cash ISA may affect your eligibility to subscribe to a HSBC Help to Buy ISA.</p> <p>Definitions:</p> <ul style="list-style-type: none"> • AER stands for Annual Equivalent Rate. This shows you what the gross rate would be if interest were paid and compounded each year. • Gross is the rate of interest paid before any tax (where applicable) has been deducted. • Tax free means free from personal liability to any UK Income Tax and Capital Gains Tax. • ISA stands for Individual Savings Account. <p>We always want to give you the most up to date information including our latest rates. On occasion, this may not be possible and you may receive documentation showing a previous rate. If this happens, don't worry you're getting the rate that you applied for. If you'd like to check, all our rates are up to date on our HSBC website at hsbc.co.uk/savings and on your HSBC UK Mobile Banking app.</p> <p>Rate effective from 10 April 2024</p>

Accessibility

Do you need this information in a different format?

Our online banking services can be used with your own personal assistive technology. You can access your information and contact us via live chat in a way that suits you. Find out more about our online banking at: hsbc.co.uk/ways-to-bank/online-banking.

We can send this information in large print, braille, or audio. You can speak to us by visiting one of our branches, or by giving us a call. We also work with third parties such as SignVideo who provide services such as Text Relay and British Sign Language (BSL) Video Relay. Please visit hsbc.co.uk/accessibility to find out more.

hsbc.co.uk

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Customer Information: Customer Service Centre, BX8 1HB.

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