

HSBC Loyalty 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 Loyalty 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?

An ISA is a tax efficient way of saving or investing. There are four different types of ISA:

- cash ISAs
- stocks and shares ISAs
- innovative finance ISAs
- lifetime ISAs

There's also a Junior ISA, which is a tax efficient savings account for children under 18.

(At this time, we don't offer an innovative finance ISA, a lifetime ISA or a Junior ISA.)

ISA Subscription Limits

The overall ISA subscription limit is £20,000 for the current tax year, with a separate annual payment limit (currently £4000) that applies to Lifetime ISAs.

You can only subscribe to one type of cash ISA and one type of stocks and shares ISA with HSBC.

Our Loyalty Cash ISA

Taking advantage of your annual tax-free allowance could help you save for the future. You could earn tax-free interest on your money, build up your long-term savings, and reduce your tax bill.

You'll receive a loyalty rate for 12 months from the date of each payment into your ISA. If you make further payments, your loyalty rate period will start again from the date of each payment. It'll be applied to the total balance held in your ISA.

At the end of the 12-month loyalty period, you'll earn the standard rate of interest. This is until you make a further payment.

You can open an ISA:

- using our website: [hsbc.co.uk/savings/isas](https://www.hsbc.co.uk/savings/isas)
- by visiting any HSBC UK branch

You can also transfer existing cash ISAs and stocks and shares ISAs into your HSBC Loyalty Cash ISA. Visit our website to find out more.

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 and confirm the interest rate.

When the account is open, you can add to your savings by:

- transferring money from another of your accounts with us
- setting up a regular standing order from your current account
- paying in cash or cheques

All payments you make into your ISA count towards your annual ISA subscription limit.

Your savings

You have instant access to your account. You can make as many fee-free withdrawals as you like. If you are currently benefiting from the loyalty rate, this won't be impacted by withdrawing money.

Our ISA 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. If you have fully subscribed, you will need to wait until the next tax year to subscribe further funds.

- The quickest way to transfer money to any of your other accounts with us is by using our Mobile App or Online Banking Service. You can also call us or visit your local branch.

Interest

We calculate interest on the daily cleared balance of your account. It will then be paid to you each month. Interest will be paid gross, with no tax deducted. You can choose to have the interest paid into another HSBC account if you prefer.

We'll write to you two months before your loyalty rate is due to expire. The loyalty rate will start again each time you make a further payment into your account.

Statements

We'll send you a statement following receipt of the first credit to your account. You'll then receive one monthly if you've made a payment out of your account. You'll receive at least one statement each year for your records.

Tax

The information in this brochure is based on our understanding of current UK tax law and Customs (HMRC) practice. The value of the tax treatment 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.

Cancel your Loyalty Cash ISA

If you decide that you no longer want your HSBC Loyalty Cash ISA, you can choose to cancel, free of charge, within 30 days from the date on your welcome letter. If you do this:

- Any subscription(s) you made to the HSBC Loyalty Cash ISA within these 30 days will be cancelled and you will be treated as if you did not subscribe to the HSBC Loyalty Cash ISA.
- Any previous or current tax year's subscriptions that you transferred to us from another ISA will not be cancelled and you will lose the future tax benefits of continuing to hold the money in an ISA. To keep the tax benefit of holding the money in an ISA, you can instead transfer to another ISA (with ourselves or another ISA provider).

If you open a cash 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.

Close or transfer your HSBC Loyalty Cash ISA

After 30 days, you can:

- Close the account at any time, with no charge. If you do this, you'll lose the future tax benefits of continuing to hold the money in an ISA.
- Transfer to another ISA (with ourselves or another ISA provider) at any time, free of charge. If you do this, you'll maintain the tax benefits of holding the money in an ISA.

To cancel, close or transfer your account, you can speak to us by visiting your local HSBC UK branch or giving us a call. You can also do this through our Online Banking Service or by writing to us at HSBC UK Bank plc, Customer Service Centre, BX8 1HB. You can find more details on how to contact us at: [hsbc.co.uk/contact](https://www.hsbc.co.uk/contact).

To transfer to another ISA provider, you will need to contact them and complete their transfer application.

Full details of your cancellation and closure rights are given in the HSBC cash ISA Terms and Conditions.

When we cancel or close your account, we pay you the balance in it with gross interest at the appropriate rate.

Funding ISAs for children

A parent can give their child funds to invest in an ISA providing the child is 16 years or over (in line with ISA eligibility rules).

If the income (interest) paid on all gifts from that parent to their child in the tax year exceeds £100, then this'll be treated as the parent's for tax purposes. Even though the income arises in an ISA, it will be taxable. The parent should report the income to their tax office.

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 [fscs.org.uk](https://www.fscs.org.uk)
- call the FSCS on 020 7741 4100 or 0800 678 1100

How to complain

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 and HSBC Trust Company (UK) Limited are members 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	Loyalty Cash ISA		
What is the interest rate?	Account	Rate	Interest Rate
	HSBC Premier	Standard Rate	2.50% AER / 2.47% Tax Free
	HSBC Premier	Loyalty Rate	3.20% AER / 3.15% Tax Free
	Other Current Accounts	Standard Rate	2.50% AER / 2.47% Tax Free
	Other Current Accounts	Loyalty Rate	2.85% AER / 2.81% Tax Free
<p>Interest is variable, calculated daily and paid monthly.</p> <p>A Loyalty rate applies for 12 months from the date of each payment into your ISA. If you make further payments into your ISA, your Loyalty rate period will begin again from the date of each payment. Upon the expiry of your Loyalty rate period, you will earn a standard rate of interest until you make a further payment.</p>			

Can HSBC change the interest rate?

Yes. The account pays a variable rate of interest, which means it can change over time. The HSBC cash ISA Terms and Conditions (available from [hsbc.co.uk/legal](https://www.hsbc.co.uk/legal)) explain when and how we do this. For example, we might review the interest rate if the Bank of England base rate changes.

What would the estimated balance be after 12 months based on a £1,000 deposit?

Account	Rate	Interest Rate	Balance at end of 12 months
HSBC Premier	Standard Rate	2.50% AER / 2.47% Tax Free	£1025.00
HSBC Premier	Loyalty Rate	3.20% AER / 3.15% Tax Free	£1,032.00
Other Current Accounts	Standard Rate	2.50% AER / 2.47% Tax Free	£1025.00
Other Current Accounts	Loyalty Rate	2.85% AER / 2.81% Tax Free	£1028.50

For the purpose of this calculation it is assumed:

- Initial deposit of £1,000.
- No further deposits.
- No withdrawals.
- No change to the interest during the 12 months.

Projection provided for illustrative purposes only and does not take into account individual circumstances.

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

- Aged 18 years or over.
- Hold an HSBC 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.

How to open the account:

- This account can only be opened in a sole name.
- Open an account through Online Banking, in branch or by post.
- Or you can transfer current and/or previous tax years' subscriptions by completing an ISA transfer form.

Minimum/Maximum Balance:

- A minimum of £1 must be deposited to open the account.
- The maximum amount you can deposit in an ISA is subject to annual subscription limits. The annual subscription limit for the current tax year is £20,000.
- You can only subscribe to one type of cash ISA and one type of stocks and shares ISA in the same tax year across HSBC UK Bank plc.
- No maximum balance.

How to manage the account:

- Once opened, the account can be managed through Online Banking or the HSBC Mobile Banking App where you can chat to us 24/7. You can also manage the account using Telephone Banking or in branch.

Can I withdraw money?

Yes, you have instant access to your account. Withdrawals are free of charge. Our ISA 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. If you have fully subscribed, you will need to wait until the next tax year to subscribe further funds.

If you withdraw funds from your ISA you will lose the associated future tax benefits.

Additional Information

A 30-day cancellation period applies to this account.

Interest is paid tax-free, that means it is paid free from UK Income Tax and Capital Gains Tax.

The value of tax benefits provided by a cash ISA depend on your personal circumstances and tax rules may change in the future.

Subscribing to a Loyalty Cash ISA will affect your ability to subscribe to a HSBC Help to Buy: ISA.

Definitions:

- AER stands for Annual Equivalent Rate. This shows you what the gross rate would be if interest were paid and compounded each year.
- ISA stands for Individual Savings Account.

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](https://www.hsbc.co.uk/savings) and on your HSBC UK Mobile Banking app.

Rates effective from 10 August 2023

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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](https://www.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](https://www.hsbc.co.uk/accessibility) to find out more.

hsbc.co.uk

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