

Important changes to the HSBC InvestDirect 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 HSBC InvestDirect Stocks and Shares ISA will work, or to clarify how the HSBC InvestDirect 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 HSBC InvestDirect Stocks and Shares ISA (the "KFD") and the HSBC InvestDirect and InvestDirect Plus Rates and Fees ("Rates and Fees") document. 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 documents 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 can be found on our website [hsbc.co.uk/investments](https://www.hsbc.co.uk/investments).

Expressions defined in the Terms and used in this Notice of Variation shall have the meaning given to them in the Terms. **We recommend you carefully 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 being proposed, you don't need to do anything. **If we do not hear from you before 26 November 2021 about the changes, we will be entitled to assume you accept the changes and consent to the updated Terms. You have the right to close your Account(s) with us at any time by calling us on the number below. There will be no charge for closing your Account(s) if you inform us that you wish to do so before 26 November 2021. However, 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 **03456 080848** (dial **+44 122 626 1090** from overseas) if you would like to discuss the changes set out below or if you would like us to send you a copy of the amended Terms. We've temporarily reduced our opening hours due to the COVID-19 pandemic. You can contact us between 7:30am – 5:00pm Monday to Friday excluding public holidays. To help us continually improve our services and in the interests of security, we may monitor and/or record your communication with us.

Changes to the Terms

Section – Glossary

We've removed the defined terms for 'Customer Services', 'FCA Rules', 'Rates and Fees Page' and 'Units' as these are defined in the HSBC InvestDirect and HSBC InvestDirect Plus Sharedealing and Investment Terms and Conditions documents.

Section – Glossary

We've simplified the defined term for 'Financial Instrument(s)' which will read as follows:

Financial Instrument(s) means those financial instruments as defined in the Rules that are available under the IDA.

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.

Section – Glossary

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

Transfer Form means the application form available on our Website or from our Customer Service Centre which can be used to instruct the transfer of Investments to us from another provider.

Section – Terms and Conditions – Subscribing to and Operating your account – 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 Investment 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 IDA 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 9.5.

Section – Terms and Conditions – Investments and Income – 4.4

We've amended clause 4.4 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:

4.4 We may not offer the full range of Investments available in the Regulated Market. We'll tell you which Investments you can deal in using the InvestDirect or InvestDirect Plus service. We reserve the right to remove or suspend any Investment from the InvestDirect or InvestDirect Plus 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 InvestDirect or InvestDirect Plus service, we'll still try to enter into a deal for that order on your behalf. If you have an Investment in your Account which has been suspended or removed from the InvestDirect and/or the InvestDirect Plus 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 InvestDirect or InvestDirect Plus service to you, this does not mean we're giving you any advice as to the suitability or appropriateness of that Investment.

Section – Terms and Conditions – Transfers – 7.1

We have amended clause 7.1 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.

Section – Terms and Conditions – Closure of your Account by us – Clause 10.1.10 and 10.1.11

We've removed clauses 10.1.10 and 10.1.11 as these are covered in clause 10.1.8.

Section – Terms and Conditions – Closure of your Account by us – Clause 10.3.2

We've amended clause 10.3.2 to make clearer the steps we will take to return proceeds of sale to you when closing your account, including the tax treatment of those proceeds. This will now read as follows:

10.3.2 *Where it is reasonable for us to do so, we may also take the following steps to return the proceeds of sale to you.*

- *We may deposit the proceeds of sale in your Nominated Account (where you're an InvestDirect customer, as defined in the InvestDirect terms) or other personal HSBC bank account in your name.*
- *We may send the proceeds of sale to you. This may mean that we'll send a cheque to the last address we hold on record for you where it is reasonable for us to do so.*

Please be aware that the sale of Assets will take place within the ISA wrapper and therefore be exempt from UK Income and/or Capital Gains Tax. However, once the proceeds of sale leave the ISA wrapper, those ISA benefits will cease to apply.

Section – 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 an HSBC InvestDirect Stocks and Shares ISA, log in to your online InvestDirect or InvestDirect Plus account and select 'ISA' from the 'Products and Services' page and follow the guidelines provided. Alternatively, use the contact details on page 3 to call us.

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've 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 – Can I transfer an existing ISA to an HSBC InvestDirect 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 timelines clearer and this section will now read as follows:

Can I transfer my existing ISA to an HSBC InvestDirect 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 HSBC InvestDirect. 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 – Further Information – How to complain

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:

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**

Changes to the Rates and Fees document

Rates and Fees

We've added information about the Spanish Financial Transaction Tax (SFTT) including the rate of SFTT that will apply on purchases. This will read as follows:

The following Government charges apply:

Irish Stamp Duty* – 1.0% on Irish equity purchases

Irish Takeover Panel* – €1.25 charge on all Irish share transactions over €12,500

French Financial Transaction Tax* (FTT) 0.3% on purchases

Italian Financial Transaction Tax* (ITT) 0.1% on purchases (0.2% for Over The Counter trades)

Spanish Financial Transaction Tax* (SFTT) 0.2% on purchases.

Rates and Fees

We've updated the SEC Rate which will read as follows:

A small transaction fee will apply to the sale of US equities and is paid to the US Securities and Exchange Commission (SEC). For reference, the latest SEC rate is 0.00051% (correct as of 25 February 2021). This SEC levy is subject to change at any time.*

Accessibility

To find out more about our accessible services please visit [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or ask at any of our branches.

If you'd like this in another format such as large print, Braille or audio, please contact us.

A textphone service is available for customers with hearing and/or speech impairments. If you use your own textphone you can call us on **03457 125 563** (+44 207 088 2077 from overseas).

BSL Video Relay Service is also available (Monday–Friday 8am–6pm, excluding Bank and Public Holidays) at [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility).

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