

# HSBC InvestDirect Stocks and Shares ISA

## **Terms and Conditions**

These terms are effective for all HSBC InvestDirect and HSBC InvestDirect Plus customers on and from 6 April 2024

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# Important information

## Introduction

These Terms set out the details of the contract between you and us in respect of your Account. Please read these Terms carefully in conjunction with the HSBC InvestDirect or HSBC InvestDirect Plus Terms and Conditions 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 on our Website. Alternatively you may contact us on the telephone number shown on our Website or in our HSBC InvestDirect Stocks and Shares ISA (Individual Savings Account) Key Features Document.

## Application Requirements

You may only open or maintain an Account if you have an IDA with us in your sole name. If you close your IDA, 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're resident in the UK for tax purposes or a Crown Employee working overseas (or the non-UK resident spouse or civil partner of such Crown Employee). In addition you must not have subscribed to another stocks and shares ISA with HSBC or first direct 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 clause 7, you may transfer your ISA from another ISA manager to us, whether or not you're 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. HSBC InvestDirect and HSBC InvestDirect Plus offer a Stocks and Shares ISA. We don't permit insurance products to be purchased in the Account. HSBC InvestDirect and HSBC InvestDirect Plus don't offer a Cash ISA.

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# Glossary

Except as otherwise specified in the Glossary, all terms defined in the IDA Terms have the same meaning when used in these Terms.

The following terms have the meanings specified below:

**Account** means an HSBC InvestDirect Stocks and Shares ISA offered by us and entered into in accordance with this Agreement which will comprise of an ISA investment account and a 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 won't count towards your current Tax Year ISA subscription limit.

**Agreement** means these Terms and the IDA 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, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

**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 orders 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, Secure e-message, email, 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 InvestDirect Sharedealing and Investment Terms and Conditions.

**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've 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're to take security, provider or recipient of a payment or any other persons or entities with whom you've 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), a regulatory body in the United Kingdom, or any successor regulatory body.

**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're subject to a sanctions regime or confirming their identity or status).

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

**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.

**IDA** means your HSBC InvestDirect settlement account or HSBC InvestDirect Plus sterling cash account with us as defined in the IDA Terms.

**IDA Terms** means the HSBC InvestDirect or HSBC InvestDirect Plus Terms and Conditions (as applicable) and any other general terms and conditions for our sharedealing and investment service together with any relevant Supplemental Terms.

**Investments** means all investments which are listed on the relevant page of our 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.

**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.

**PRA** means the Prudential Regulation Authority, (with its head office address at 20 Moorgate, London, EC2R 6DA), a regulatory body in the United Kingdom, or any successor regulatory body.

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

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

**Rules** means the rules set out by the FCA and/or PRA 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.

**Subscription** means the cash and/or shares subscribed or to be subscribed to your Account in accordance with 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 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.

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

**Website** means the location within HSBC Personal Internet Banking from which you can access the HSBC InvestDirect service (as set out in the IDA Terms) [hsbc.co.uk](https://www.hsbc.co.uk).

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

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# Terms and conditions

## Section 1

### Appointment and Authority

- 1.1** You appoint us as the Account Manager for your Account. We'll 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. We may also not open your Account until you've provided us with all information which we consider relevant to it.
- 1.3** Your Application for an Account covers the current Tax Year only. 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'll 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 HSBC InvestDirect and InvestDirect Plus services are execution-only services. This means that we process 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 HSBC InvestDirect and InvestDirect Plus services.  
  
You are solely responsible for your own Investment dealings when using the HSBC InvestDirect and InvestDirect Plus services. We are not required to assess the suitability or appropriateness of any Investment or of the HSBC InvestDirect and InvestDirect Plus services 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.

## Section 2

# Interpretation of and changes to the Terms

- 2.1** This Agreement will replace the terms of any agreements which we've previously entered into with you in respect of the Account. If there is a contradiction between information either on our Website or otherwise notified to you relating to the Account and these Terms, or any conflict between these Terms and the IDA 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:
- If we reasonably consider that the change is favourable to you, by telling you about it within 30 days of the change;
  - if the change is not favourable to you, by giving you at least 30 days' written notice before we make the change.
- 2.3** We may make any change to this Agreement for all or any of the reasons set out in this clause 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 the 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're not acting dishonestly, for an improper purpose, in a manner which inappropriately discriminates against a particular customer or as an unreasonable financial institution would.

**2.4** Where we make a change under this clause 2, the change will be proportionate to the underlying reasons for the change and in accordance with Applicable Laws.

**2.5** We may also make changes to the 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) for any other valid reason that applies and is not described in this clause 2. We'll always give you at least 30 days' prior written notice of such a change. Please note however that we'll not notify you of any change in third parties' taxes or charges attributable to Investments, the imposition and amount of which are outside our control.

**2.6** You may without charge close your Account in accordance with clause 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 don't tell us that you want to close your Account by this time, then you'll 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.

## **Section 3**

# Subscribing to and Operating your Account

**3.1** We don't 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 our Website. We can only accept responsibility for Payments into your Account after we've received and checked them. You must not send us cash in the post.

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**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 using the aggregate market value of the shares at the close of business 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 ISAs 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 ISAs at the date of death), or (ii) the point the ISAs 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 in clauses 3.5 and 3.6 and must be made within the timescales set out in the Regulations.

**3.8** We'll 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, we'll transfer any surplus into your IDA.

- 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.
- 3.11** You agree to pay us on an after-tax basis an amount equal to any amount which we're required to pay to HM Revenue & Customs for a liability to tax in respect of your Account or which we're 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 a UK resident for tax purposes or cease to be a Crown Employee working overseas (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've incurred a tax liability in respect of credit interest payments made to you on or after 6 April 2016 we'll 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 [hsbc.co.uk](https://www.hsbc.co.uk) as permitted by the Rules and where you've agreed to this. By agreeing to these Terms you agree to receive information via the Website. We'll notify you of the Website address electronically when such information is put onto the Website where it will be updated from time to time. You agree that we may in particular provide the following to you via the 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 (which may be included in our brochures);
  - details of our Best Execution policies; and
  - investor Information Documents (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.

## **Section 4**

# Investments and Income

- 4.1** The provisions of the IDA Terms relating to investment dealing and your IDA 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.
- When placing a buy order for shares in respect of your Account you must enter a limit price which we'll 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 Fund Shares and 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'll take account of cash due from Investments that have been sold but not yet settled but we'll deduct all cash which may become payable in respect of buy orders placed which have not yet settled.
- 4.3** 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 have given us. You can check or amend the status of your standing instruction by calling us on 03456 08 08 48.

- 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.
- 4.5** We'll send you a Statement online every three months. Statements will be dated March, June, September and December. We'll send you a contract note (trade confirmation) for each deal you undertake which will be sent to you by Secure e-message no later than the Business Day following the day your order to buy or sell an Investment was successfully executed. You may ask for paper copies by contacting us by telephone or Secure e-message.

## **Section 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'll be notified of any such assignment.

## Section 6

# Death

**6.1** If you died on or before 5 April 2018, your Account immediately ceases to be exempt from UK income tax and capital gains tax and we'll 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'll 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'll 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'll 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'll 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; or
- The third anniversary of your death.

We're 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 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 hasn't 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:

- Applying 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
- Requesting 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.

## Section 7

# Transfers

**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.

**7.2** We may at our option accept the transfer of Investments from your existing ISA or we may require that Investments and other assets are sold and the transfer is made in cash. You'll need to pay any charges that your current ISA manager makes in relation to the transfers and/or encashment.

- 7.3** 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.

## **Section 8**

# Cancellation of ISA Agreement

- 8.1** You've 14 days from when we accept your HSBC InvestDirect Stocks and Shares ISA application to write to us at HSBC InvestDirect PO Box 716, Forum, The Forum, Parkway, Whiteley, Fareham PO14 9QD, 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 HSBC InvestDirect Stocks and Shares ISA in relation to the Application being cancelled will, unless otherwise instructed, be transferred to your HSBC InvestDirect Investment and Settlement Accounts or InvestDirect Plus Investment and Sterling Cash Accounts, as applicable. 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.
- 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'll preserve your eligibility to open a current Tax Year Account either with us or another ISA manager, as HM Revenue & Customs won't treat this as a valid Subscription. Thereafter you can terminate your Agreement and close your Account at any time as detailed in clause 9.5 of these Terms. If you cancel within the 14 day period you'll not pay any charges for cancelling.

- 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 clause 2.2. Please see our Rates and Fees Document for details. You'll 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 seven day withdrawal period starting from the time we receive your transfer request, after which the transfer process will commence and cannot be withdrawn. If you withdraw within the seven day period you'll not pay any charges for withdrawing. If you don't cancel within the seven day or 14 day period (as applicable), thereafter you can terminate your Agreement and close your Account at any time by writing to us.

## Section 9

# Withdrawal and Closure by you

- 9.1** In accordance with the Regulations and subject to the provisions of this clause 9 and the provisions and time periods set out in the IDA 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'll:
- 9.1.1** pay you the amount of the withdrawal;
- 9.1.2** or 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'll 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'll 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 which may be due from you to any person including us.

If we subsequently receive any income arising from Investments transferred out, we'll 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 IDA. Instructions to transfer cash may be given through the “move money” facility on our 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 our 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’ll 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 HSBC or first direct, although you may transfer your Account at any time.
- 9.5** You may without charge (subject to clause 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 tax claims or tax credits.

## Section 10

### Closure of your Account by us

- 10.1** Subject to the Regulations, we can end this contract with you and close your Account immediately in any of the following situations:
- 10.1.1** if you’ve seriously and/or persistently breached any of your obligations under the Terms;
  - 10.1.2** if there has been, or we’ve reasonable grounds to suspect there has been, Financial Crime involving your Account or any transactions on your Account;
  - 10.1.3** if there has been, or we’ve reasonable grounds to suspect there has been, suspicious activity on your Account;
  - 10.1.4** if we’ve reasonable grounds for believing you’ve committed or are about to commit a crime in connection with your Account or your IDA;
  - 10.1.5** if you’ve not satisfied any of our anti-money laundering requirements;
  - 10.1.6** if you fail to pay for any Trades;
  - 10.1.7** if there is a change in Applicable Laws or regulation that requires us to do so;

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- 10.1.8** if you're no longer eligible for an Account;
- 10.1.9** if you've given us false information in connection with your Account (for example, in your Application);
- 10.1.10** if you close your IDA and/or Nominated Account (or you choose to switch to another bank using the current account switch service and to not retain another Nominated Account with us); or
- 10.1.11** if your Account or your IDA (or other account(s)) are being or have been used illegally, or if we reasonably believe that your conduct will adversely affect the ability of our other customers to trade (or the terms on which they trade).  
An example of this would be if you were to deal repeatedly in many small lots, rather than one large lot so the market maker refuses to deal, or will only deal at a less favourable price in the future.
- 10.2** We'll give you notice in writing immediately after your Account has been closed under clause 10.1.
- 10.3** Subject to the Regulations, we may end this Agreement and close your Account for any other reason by giving you at least one month's written notice.
- 10.3.1** If your Account is closed for any reason and you don't tell us what you want to do with your Assets, we'll contact you to obtain your instructions. If you don't tell us what you want to do with your Assets within a reasonable time, we may take necessary reasonable steps to return your Investments to you and (if we haven't heard from you) we may sell 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're permitted to do so under relevant laws).
- 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.
- 10.3.3** We'll give you advance notice if we intend to sell your investments in this way.

## **Suspending your service**

- 10.4.1** We can suspend the service we provide you under these Terms (or any part of this service) temporarily for any of the reasons set out in clause 10.1.
- 10.4.2** We may also suspend the service we provide you under these Terms (or any part of this service) where we've another good reason to do so, and where the suspension is proportionate to the underlying reason for doing so. Where we do so, we'll 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 clause 9 and/or transfer your Account to a different provider at any time up to the point at which the suspended service is reinstated.
- 10.4.3** Where we take steps to suspend the service we provide you under these Terms (or any part of this service) under this clause 10.4, we generally won't 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 because:
- you've seriously or persistently breached the Terms;
  - we reasonably suspect you or your Account may be involved in Financial Crime or other illegal activity; or
  - you've failed to satisfy anti-money laundering requirements.
- 10.4.4** We'll notify you as soon as practicable of the suspension being lifted.

## **Section 11**

# Ownership and Custody

- 11.1** All documents evidencing title to Assets in your Account are held by us (whether personally or via a delegate) or as we direct. The provisions of the IDA Terms relating to the custody of the Investments held in your IDA will apply to your Account, except to the extent they conflict, or are inconsistent with, these Terms or the Regulations. In accordance with the IDA Terms, the title to all Investments held in your Account will be registered in the name of a nominee (except where otherwise specified in the IDA Terms, and in accordance with relevant legal requirements).

- 11.2** 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. The Account Investments don't qualify as eligible Investments for the HSBC InvestDirect Plus Trading Reserve.

## Section 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.

## Section 13

### Interest rates

- 13.1** Any cash in your Account will earn interest at the applicable rate specified in our Rates and Fees Document, 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 clause 2.2.

## Section 14

### Documentation and Voting

- 14.1** For any investment held in your Account, we can arrange at your request in writing 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, securities or Fund Shares in which you've invested; and
  - 14.1.2** attend meetings of shareholders, securities holders, or Unit holders and exercise voting rights and receive information sent to such holders in addition to the annual report and accounts.

- 14.2** We don't accept standing instructions in respect of the matters referred to in clause 14.1 for all Investments held in your Account. If you wish to exercise your rights referred to in clause 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.

## **Section 15**

### Rights Issues, Takeovers etc

- 15.1** The IDA 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'll transfer them out of your Account and into your IDA, or, at our discretion, sell them.

## **Section 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 in our Rates and Fees Document. 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 clause 14.1. Details of any such charges will be specified in our Rates and Fees Document or otherwise advised by us from time to time.
- 16.3** Subject to clause 16.4, you may specify whether the fees referred to in clauses 16.1 and 16.2 should be charged to your IDA or to your Account. If you don't specify, these fees will be charged to your IDA. In any event, if there are insufficient Assets in your Account to meet such fees, we may deduct any amounts owing from your IDA.

- 16.4** All commission and all Value Added Tax, Stamp Duty, Stamp Duty Reserve Tax, other taxes, levies or other transaction costs payable in connection with the Investments held in your Account will be charged to your Account.
- 16.5** We'll provide you with our Costs and Charges Disclosure Document containing 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.

## Section 17

# Your Information

### 17.1 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 out your rights in relation to your information. A copy of our Privacy Notice is available separately and we'll inform you when we make any changes to it. You can find a copy at [hsbc.co.uk](https://www.hsbc.co.uk) or you can ask for a copy in branch or by telephone.

### 17.2 Your responsibilities

- 17.2.1** 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:
- you might not be able to carry on doing some or all of your banking with us anymore;
  - we might try to get it from another source, ourselves;
  - we could block or close your Account.
- 17.2.2** 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.
- 17.2.3** 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've 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.

## **17.3 Tax Compliance**

**17.3.1** 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're 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.

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

- 17.4.1** 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're subject to a sanctions regime, or confirming their identity and status.
- 17.4.2** 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)).
- 17.4.3** 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.

## Section 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'll 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 IDA 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'll not be liable to you if we don't 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 where data entered through our Services becomes 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** 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'll make every effort to keep disruption to a minimum and to notify web users in advance if such shut down becomes necessary.
- 18.4** 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.
- 18.5** If you're 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 and Fees Document.
- 18.6** Nothing in the Agreement excludes or restricts any liability which we may have to you under Applicable Laws, Regulations or Rules or any liability for a matter that cannot be excluded or restricted by Applicable Laws, Regulations or Rules.

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# General Terms

## Section 19

### General

**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](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [financial-ombudsman.org.uk/contact-us](http://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.

**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've 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 InvestDirect Stocks and Shares ISA) 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.

**19.3** 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.

HSBC and first direct 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 [fscs.org.uk](https://www.fscs.org.uk) or call the FSCS on 0800 678 1100 or +44 20 7741 4100 from overseas.

Please note only compensation related queries should be directed to the FSCS.

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

## Section 20

### Governing law

**20.1** These Terms are governed by the law of England and Wales. The English courts will have non-exclusive jurisdiction over disputes arising in connection with these Terms. Any banking terms and conditions implied by law will also apply to these Terms. All Communications with you will be in English.

HSBC UK Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our firm reference number is 765112. The Financial Conduct Authority's website is [fca.org.uk](https://www.fca.org.uk), where contact details can be found and the Prudential Regulation Authority's website is [bankofengland.co.uk/prudential-regulation](https://www.bankofengland.co.uk/prudential-regulation), where contact details can be found.

HSBC UK Bank plc is established at 1 Centenary Square, Birmingham, B1 1HQ, which is its registered office. Company House number: 09928412.

# Accessibility

If you need any of this information in a different format, please let us know. **This includes large print, braille, or audio.** You can speak to us using the live chat on our website, by visiting one of our branches, or by giving us a call.

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service. To find out more please get in touch. You can also visit: [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or: [hsbc.co.uk/contact](https://www.hsbc.co.uk/contact).

## **[hsbc.co.uk/shares](https://www.hsbc.co.uk/shares)**

**HSBC UK Bank plc.** Registered in England and Wales with number 09928412. Registered Office: 1 Centenary Square, Birmingham, B1 1HQ, United Kingdom. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 765112.

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