

HSBC Loyalty Cash ISA: Everything you need to know

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HSBC Loyalty Cash ISA: Everything you need to know

We've put this factsheet together so you have all the key details of this account in one place. It'll help you decide if our Loyalty Cash ISA is right for you. Please read it carefully so you know what you're buying, and keep it safe for future reference.

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.)

A payment by you into an ISA in any tax year is called a subscription. You can only subscribe to one of each type of ISA per tax year.

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. If you opened your account in branch, we'll hand you all the information you need. 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 can withdraw your money whenever you like. There are no charges and you'll keep your loyalty rate (if you've benefitted from this).

- you can withdraw cash at any HSBC UK branch. You'll need to have some personal identification
- you can transfer money to any of your other accounts with us. The quickest way to do this is by using our Mobile App or Online Banking Service. You can also call us or visit your local branch

Any amount you have paid into your ISA will count toward your annual subscription limit even if you withdraw it. If you do withdraw funds or close your account, you'll lose the tax relief available on the amount withdrawn. Please see the 'closing your account' section for more details.

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 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. Any changes in UK tax law and practice could affect this information. The tax treatment of an ISA will depend on individual circumstances. These may change in the future.

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

Cancelling your Loyalty Cash ISA

If you decide that you no longer want your Loyalty Cash ISA, you have 30 days to cancel. This is from the day we open your account. If you made your application by telephone, this starts from the day you receive the Terms and Conditions.

This can be done by writing to us at: HSBC UK Bank plc, Customer Service Centre, BX8 1HB. You can also do this through our Online Banking service. We'll close your Account and pay you the balance in it with gross interest at the appropriate rate.

After you've cancelled your application, you can open another cash ISA within the same tax year. This is as HMRC will treat the cancelled subscription as if it had never taken place. If your application is made close to the end of the tax year, and then cancelled in the following tax year, you'll not be able to open a cash ISA for the previous tax year.

If you don't cancel, the HSBC Loyalty Cash ISA will continue with us. This will be in line with the terms and conditions of the account.

Transferring your ISA and closing your account

You'll need to let us know in writing, over the telephone, or by using our Online Banking service if you want to close your Loyalty Cash ISA after the 30-day cancellation period. If you've subscribed in the current tax year, you can't close your account with us and open a new cash ISA for the current tax year (with either us or another provider). You can transfer your account with us to another ISA manager at any time.

If after the transfer to us from another ISA manager you wish to cancel your Account and keep the tax benefits, please get in touch. You have the option of moving:

- the ISA back to the original ISA manager (if they agree) or,
- to another ISA manager

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 your comments'. 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 calculated daily and credited to the account 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, we can change the interest rate of this account in line with the account Terms and Conditions.

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 16 years or over
- be resident in the UK for tax purposes, or if not so resident, be a Crown employee serving overseas, or be married to, or in a civil partnership with, such a person
- hold an HSBC current account

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 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 is subject to annual subscription limits. The annual subscription limit for the current tax year is £20,000. This can be saved in a cash ISA, a stocks and shares ISA, an innovative finance ISA or a lifetime ISA with either the same or different providers
- 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. You can make as many fee-free withdrawals as you like. However once you have paid in the maximum annual subscription limit, any amount withdrawn cannot be replaced until the following tax year.

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

Additional Information

A 30-day cancellation period applies to this account.

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

The value of tax benefits described depends on individual circumstances. The tax treatment of ISAs could change in the future.

Subscribing to a cash ISA may affect your eligibility to subscribe to a 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.
- Tax free from personal liability to any UK Income Tax and Capital Gains Tax.
- 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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Our Financial Services Register number is 765112.

Customer Information: Customer Service Centre, BX8 1HB.

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