

HSBC Help to Buy: ISA



HSBC UK



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HM Government

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HELP TO BUY: ISAs are now closed to new applicants, but you can continue adding money to one you’ve already opened until 30 November 2029. You can also transfer an existing Help to Buy: ISA to HSBC from another provider.

What is a Help to Buy: ISA?

In March 2015, the UK Government announced the introduction of a new type of cash Individual Savings Account (ISA); the Help to Buy: ISA. It's designed to encourage and reward people who want to save towards buying their first home. First time buyers who save through a Help to Buy: ISA can apply for a 25% Government Bonus to help. This was withdrawn on 30 November 2019 and is now only available to existing HSBC customers wishing to transfer their Help to Buy: ISA to HSBC.

The maximum annual amount you can save into a Help to Buy: ISA will be less than the maximum annual ISA limit.

Help to Buy: ISAs are now closed to new applicants, but you can continue adding money to one you've already opened until 30 November 2029. If you are an existing HSBC current account, Flexible Saver or Premier Savings customer, you can also transfer an existing Help to Buy: ISA to HSBC from another provider.

The 25% Government Bonus is up to a maximum of £3,000 and the minimum is £400.

HSBC also offer a Loyalty Cash ISA.

For details of this and all our other savings products please visit [hsbc.co.uk/savings](https://www.hsbc.co.uk/savings) visit your local branch or give us a call and a member of our team will be happy to help.

How does it work?

Step 1 – Transfer an existing Help to Buy: ISA from another ISA manager and continue to save a maximum of £200 per calendar month.

Step 2 – Close your HSBC Help to Buy: ISA to receive a closing letter.

Step 3 – Apply for your 25% Government Bonus via a solicitor or conveyancer.

The 25% Government Bonus is up to a maximum of £3,000, based on savings of £12,000.

You'll need to save a minimum of £1,600 to receive the minimum Bonus of £400. The maximum amount you can save in your first 12 month period is £3,400 – the maximum annual savings thereafter is £2,400.

If you pay in the full monthly allowance of £200 in any calendar month, any withdrawals can't be replaced until the following calendar month and any such amount will count towards the monthly allowance for that following month.

How much could my Bonus be?

Example 1

Help to Buy: ISA customers who have saved £12,000 are entitled to a Government Bonus of £3,000 (25% of £12,000 = £3,000).

Example 2

Help to Buy: ISA customers who have saved £1,500 are not entitled to a Government Bonus (25% of £1,500 = £375).

Example 3

Help to Buy: ISA customers who have saved £14,000 are entitled to the maximum Government Bonus of £3,000 (25% of £12,000 = £3,000).

If you're buying a property in London then the maximum value of the property must not exceed £450,000 or £250,000 if located elsewhere in the country.

You can only have one Help to Buy: ISA and it must be held in a sole name, but if you're saving for a joint mortgage, you can both open an account each (subject to eligibility criteria).

HSBC Help to Buy: ISA is available to existing customers only.

The Help to Buy: ISA gives you instant access to your funds however the bonus is calculated on your closing balance so you will not be entitled to claim the Government Bonus for any amount of money you withdraw prior to closure.

Key Product Information for Help to Buy: ISA

Account Name	Help to Buy: ISA
Interest rates (AER)	Variable rate. Interest calculated on daily cleared balance and paid monthly. See enclosed leaflet for our current interest rates.
Tax status	Interest is paid tax-free, that is free from UK Income Tax and Capital Gains Tax.
Bonus payments	<p>The UK Government will pay a 25% Bonus on the total amount saved when you're ready to purchase your first home. For further details, please visit helptobuy.gov.uk/isa.</p> <p>The Bonus is calculated on the closing balance in your account. £12,000 is the maximum amount you can save to be eligible for the maximum Bonus of £3,000.</p> <p>Please note: the Bonus is from the Government and not HSBC.</p>
Withdrawal arrangements	<p>The account is instant access. Withdrawals are free of charge. Once you have paid in the maximum monthly allowance, any amount withdrawn cannot be replaced until the following calendar month and any such amount will count towards the monthly allowance for that following month.</p> <p>You have the right to cancel your account within 30 days of opening it.</p>
Access	<p>You can transfer an existing Help to Buy: ISA from another provider by completing and submitting a paper form with us.</p> <p>Once opened you can manage your account via Online Banking, Telephone Banking, the HSBC Mobile Banking App or in branch.</p>

Bonus Payment

When you find your home, your mortgage lender will ask you to hire a solicitor or conveyancer. They'll handle all of the legal aspects of buying your first home.

When you are close to buying your first home, you'll need to take the following steps for your solicitor or conveyancer to claim your Bonus:

Step 1: Close your HSBC Help to Buy: ISA

When you've found a property to buy, please contact us via branch or phone so that we can close your account for you. We'll then send you a closing letter and statement within five days of your account being closed. You should then share this with your solicitor or conveyancer in order to receive your Government Bonus. Please don't withdraw the balance before we close your account, as this may mean that you are not eligible for the bonus.

If you're hoping to exchange your property in the next 30 days, there is a quicker, expedited process that you can follow. You'll just need to ask us for an up-to-date statement for your account. Please contact us, your solicitor or conveyancer for more information on this process.

Step 2: Take your closing statement to your solicitor or conveyancer

Your solicitor or conveyancer will claim the Bonus on your behalf. To do this, they will need your HSBC Help to Buy: ISA closing statement and first time buyer declaration. You must claim your bonus within 12 months of closing your Help to Buy: ISA.

Your solicitor or conveyancer will add the Bonus to your funds at completion of the property.

You won't be able to use the Bonus to pay for solicitor's fees, estate agent fees or any other indirect costs associated with buying a home.

Ready to transfer an existing Help to Buy: ISA?

First, you'll need to print off and complete an ISA transfer form from **hsbc.co.uk**.

Then you can either book an appointment at one of our branches and take your form with you or post it to us at:

**HSBC UK Bank plc, Forum 1,
The Forum, 1st Floor, Fareham,
Hampshire PO15 7PA.**

If you don't have a printer at home you'll be able to get hold of a form in one of our branches.

Further information

Participation in the Help to Buy: ISA Scheme is subject to the scheme rules which can be found at **helptobuy.gov.uk/isa**.

What happens next?

Once your HSBC Help to Buy: ISA transfer in application form has been received and opened by us, we will send you a welcome letter and declaration form. We will also send you a pack containing the terms and conditions of the account together with an interest rate insert. A statement will be issued annually in April.

Important information

The information in this brochure is based on our understanding of current UK tax law and HM Revenue & Customs practice at the time of going to press. Future changes in UK tax law and practice could affect this information. The value of the tax treatment will depend on individual circumstances. Current tax treatment may not be maintained in the future.

All ISA providers are required to report details of ISA subscriptions made by their customers to HM Revenue & Customs (HMRC) so that HMRC can check that individuals do not exceed the limits.

Cancellation

If you decide that you no longer want your Help to Buy: ISA, you have 30 days from the day we open your Account to cancel your contract with us by closing your Account. This can be done by writing to us or via our Online Banking service. We will close your Account and pay you the balance in it with gross interest at the appropriate rate.

After you have cancelled your application you will have the opportunity to open another cash ISA within the same tax year as HM Revenue & Customs will treat the cancelled subscription as if it had never taken place. For applications made close to the end of the tax year and then cancelled in the following tax year, you will not be able to open a cash ISA for the previous tax year.

If you decide that you want to close the Account after the 30-day cancellation period then we will need written confirmation of this or instructions via our Online Banking service. You will not then be able to subscribe to another cash ISA within the same tax year. If you withdraw in this way you will lose the tax benefits of a cash ISA and the funds will not qualify for the Government Bonus.

If, following the transfer of a Help to Buy: ISA to us from another ISA manager, you wish to cancel your Account but still retain the tax benefits of holding the money transferred in an ISA, you will have the option of transferring the ISA back to the original ISA manager (if they agree) or to another ISA manager. Alternatively, you may want to close your account and withdraw any money transferred to us and if you do we will pay this to you together with gross interest earned. If you withdraw in this way you will lose the tax benefits of a cash ISA, the funds will not qualify for the Government Bonus and you won't be able to open another cash ISA until the following tax year.

Funding ISAs for children

If a parent gives their child funds to invest in an ISA* and the income arising on all gifts from that parent to their child in the tax year exceeds £100, then all the income will be treated as the parent's for tax purposes. Even though the income arises in an ISA, it will be taxable and the parent should report the income to their tax office.

*Please note that the child must be 16 years or over to be eligible for a cash ISA.

We are covered by the Financial Services Compensation Scheme (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.

For further information about the scheme (including the current limits, amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website **FSCS.org.uk** or call the FSCS on **020 7741 4100** or **0800 678 1100**.

How to complain

If you are unhappy in any way with our products and services then please let us know. You can ask for a copy of our leaflet 'Listening to your comments'. This may help you to present your concerns to us. If you ever need to complain, please write to us or call us.

HSBC UK Bank plc and HSBC Trust Company (UK) Limited are members of the Financial Ombudsman Service, so if you're not satisfied with our response, you can complain to:

Financial Ombudsman Service
Exchange Tower
London E14 9SR

Telephone: **0300 123 9123**

Email: **complaint.info@financial-ombudsman.org.uk**

The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you have 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 Financial Ombudsman Service won't affect your legal rights. A written copy of our complaint procedure can be obtained by calling us.

Definitions

AER (Annual Equivalent Rate) this is a notional rate which illustrates what the gross rate would be if interest was paid and compounded each year.

Gross means the rate of interest, if interest were paid and not compounded each year.

Tax free means free from personal liability to any UK Income Tax and Capital Gains Tax.

The value of the tax benefits provided by a cash ISA depends on your individual circumstances. The tax treatment of ISAs could change in the future.

*Lines are open from 8am to 10pm every day (except for Christmas Day, Boxing Day and New Year's Day). To help us continually improve our service, and in the interests of security, we may monitor and/or record your communication with us.

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 outside the UK).

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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