

Help to Buy: ISA

Everything you need to know

keyfacts®



HSBC UK

| Opening up a world of opportunity



The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, HSBC UK Bank plc, to give you this important information to help you to decide whether our Help to Buy: Cash ISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

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What is 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. Eligible customers could apply for a 25% Government Bonus to help them save towards buying their first home.

The Help to Buy: ISA is a cash ISA. If you subscribe to a HSBC Help to Buy: ISA, you will not be able to subscribe to a HSBC or fd cash ISA in the same tax year.

The maximum annual amount you can save into a Help to Buy: ISA of £2,400 (monthly subscription of £200) is less than the maximum annual ISA limit.

Help to Buy: ISAs closed to new applicants on the 30th of November 2019. You can continue adding money to a Help to Buy: ISA you've already opened until 30 November 2029 and you'll need to claim the Government Bonus before 30 November 2030.

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 each have an account (subject to eligibility criteria).

You can use the your Help to Buy: ISA when buying a property (using a mortgage) worth up to £250,000 outside London or £450,0000 inside London.

Further information

Participation in the Help to Buy: ISA Scheme is subject to the scheme rules which can be found at ownyourhome.gov.uk/scheme/help-to-buy-isa.

Your options with HSBC

Help to Buy: ISA



To reactivate

You can reactivate your HSBC Help to Buy: ISA by popping into a HSBC branch or by giving us a call. You can also print off and complete a Help to Buy: ISA reactivation form from [hsbc.co.uk/savings/products/help-to-buy-isa](https://www.hsbc.co.uk/savings/products/help-to-buy-isa). Then either hand in the completed form to one of our branches or post it to us at:

Customer Service Centre, BX8 1HB.



To re-open

If your house purchase has fallen through, you can reopen your HSBC Help to Buy: ISA as long as it has been less than 12 months since you closed it.

Ask your solicitor/conveyancer for a Purchase Failure Notification and take this in to one of our branches. A member of the team will take a copy of the PFN.



To transfer

If you are an existing HSBC current account, Flexible Saver or Premier Savings customer you can transfer an existing Help to Buy: ISA from another provider.

First, you'll need to print off and complete a Help to Buy: ISA transfer form from [hsbc.co.uk/savings/products/help-to-buy-isa](https://www.hsbc.co.uk/savings/products/help-to-buy-isa). Then either hand in the completed form to one of our branches or post it to us at:

Customer Service Centre, BX8 1HB.

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

What happens next?

Once we've received your request, we'll open/reactivate your Help to Buy: ISA account and we'll send you a welcome letter.

A statement will be issued on receipt of the first credit to your account. You will then receive a statement every month that you make a payment out of the account or at least once a year.

Key product information

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 means it is paid free from UK Income Tax and Capital Gains Tax.

Bonus payments

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 ownyourhome.gov.uk/scheme/help-to-buy-isa.

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.

| Please note: the Bonus is from the Government and not HSBC.

Withdrawal arrangements

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.

Cancellation rights

Cancellation rights only apply to subscriptions that you make in the first 30 days following your transfer in from another provider. You don't have cancellation rights over transferred in funds.

Access

Once opened you can manage your account via Online Banking, Telephone Banking, the HSBC Mobile Banking App where you can chat to us 24/7 (subject to maintenance periods) at a time that suits you best. You can also manage the account over the phone or in branch.



What happens when you're ready to close your account?

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 call us or visit any branch so that we can close your account for you.

Please don't withdraw the balance before we close your account, as this may mean that you are not eligible for the Bonus.

We'll then send you a closing letter and statement within 5 days of your account being closed. You will need to provide your solicitor or conveyancer with either of these documents in order for them to claim the Government Bonus on your behalf.

If you're hoping to exchange your property in the next 30 days, there is an 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 or closure letter to your solicitor or conveyancer

Your solicitor or conveyancer will claim the Bonus on your behalf. To do this, they will need either your HSBC Help to Buy: ISA closing statement or your closure letter, along with your 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.

What if my house purchase falls through?

If your house purchase falls through, your conveyancer or solicitor will provide you with a Purchase Failure Notice. You will be able to re-open your Help to Buy: ISA within 12 months of closing your Help to Buy: ISA by providing this to your Help to Buy: ISA provider.

How much could my Bonus be?

Example 1

Help to Buy: ISA customers who have saved £6,000 are entitled to a Government Bonus of £1,500 (25% of £6,000 = £1,500).

Example 2

Help to Buy: ISA customers who have saved £1,500 are not entitled to a Government Bonus.

Example 3

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

Important information

The information in this brochure is based on our understanding of current UK tax law and Customs (HMRC) practice. The value of the tax treatment will depend on individual circumstances. Tax rules may change in the future.

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

Cancelling your HSBC Help to Buy: ISA

If you are closing your Help to Buy: ISA because you have found a property to buy; please follow the process outlined in 'What happens when you're ready to close your account?'. If you don't, you won't be eligible to claim the Government Bonus.

Cancellation rights only apply to subscriptions that you make in the first 30 days following your transfer in from another provider. You don't have cancellation rights over transferred in funds.

If you exercise your cancellation rights, we will close your Help to Buy: ISA, free of charge. This means:

- You will not be able to open another Help to Buy: ISA as the product is no longer on sale.
- Any subscription(s) you made to the HSBC Help to Buy: ISA within these 30 days will be cancelled and not be classed as subscription(s) to an ISA.
- Any previous or current tax year's subscriptions that you transferred to us will not be cancelled and you will lose the future tax benefits of continuing to hold the money in an ISA.
- If you want to maintain the Help to Buy: ISA product status (and the ISA tax status) you can transfer your account to another Help to Buy: ISA provider.

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- If you just want to keep the tax benefit of holding the money in an ISA, you can instead transfer to another ISA (with ourselves or another ISA provider).
 - If you do this, you will not be able to open another Help to Buy: ISA as the product is no longer on sale.

Closing your HSBC Help to Buy: ISA

After 30 days, or if you have reactivated or re-opened your Help to Buy: ISA, you can:

- Close the account at any time, with no charge.
 - If you do this, you'll lose the future tax benefits of continuing to hold the money in an ISA and you will not be able to open another Help to Buy: ISA as the product is no longer on sale.
- Transfer to a Help to Buy: ISA with another ISA provider at any time, free of charge.
- Transfer to a non-Help to Buy: ISA (with ourselves or another ISA provider) at any time, free of charge.
 - This will maintain the tax benefits of holding the money in an ISA. If you do this, you will not be able to open another Help to Buy: ISA as the product is no longer on sale.

To cancel, close or transfer your account, you can speak to us by visiting your local HSBC UK branch or giving us a call. You can also do this through our Online Banking Service or by writing to us at HSBC UK Bank plc, Customer Service Centre, BX8 1HB.

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

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

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

Funding ISAs for children

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. The parent will need the child's HSBC Help to Buy: ISA closing statement or Help to Buy: ISA closure letter and first time buyer declaration. Even though the income arises in an ISA, it will be taxable and the parent should report the income to their tax office.

Financial Services Compensation Scheme (FSCS)

We're covered by the FSCS. This can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors are covered by the scheme.

For further information about the scheme (including the current limits, amounts covered and eligibility to claim):

- Please ask at your local branch.
- Visit [fscs.org.uk](https://www.fscs.org.uk).
- Call the FSCS on 020 7741 4100 or 0800 678 1100.

How to complain

Please get in touch if you're not happy in any way with our products and services.

You can ask for a copy of our leaflet 'Listening to you'. This explains how we deal with any complaints and lets you know your options.

HSBC UK Bank plc is a member 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.

complaint.info@financialombudsman.org.uk.

0300 1239 123.

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.

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

Gross is the rate of interest paid before any tax (where applicable) has been deducted.

Tax free

Means paid free from UK Income Tax and Capital Gains Tax.

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



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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).

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