

IMPORTANT DOCUMENT – PLEASE READ

**keyfacts**®

# THE WITH PROFITS INDIVIDUAL SAVINGS ACCOUNT (ISA) NON-ADVISED



**WESLEYAN**

*we are all about you*

# KEY FEATURES OF THE WITH PROFITS INDIVIDUAL SAVINGS ACCOUNT (ISA)

The Financial Conduct Authority is a financial services regulator. It requires us, Wesleyan Assurance Society, to give you this important information to help you decide whether our With Profits Individual Savings Account (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.

This is a Stocks and Shares ISA. It allows you to invest in our With Profits Fund.

The money you pay into an ISA is called a subscription.

When we use the word 'account' in this document, we mean your ISA.

## Helping you decide

This document gives the main points about the ISA. It's for customers who have taken out the ISA without taking financial advice.

This document doesn't include all the definitions and terms and conditions. The terms and conditions are set out in the Policy Document, which we send you when we accept your application. If you'd like a copy, please contact our Head Office or you can get a copy from our website ([www.wesleyan.co.uk](http://www.wesleyan.co.uk)).

## Aims

- ▶ To increase the value of your investment (capital growth).
- ▶ To let you invest in our With Profits Fund and also benefit from the tax advantages of investing in an ISA.
- ▶ To allow you to take one-off or regular withdrawals if you choose.

## Your commitment

You can invest your money for as long as you want to. However, this is a medium- to long-term investment so you should aim to keep your money in the account for five years or more.

We ask you to do the following.

- ▶ Make a one-off subscription, monthly subscriptions or both. Or you need to transfer to us money you hold in an ISA with another manager. (The subscriptions you make need to be within the ISA limits set by HM Revenue & Customs (HMRC).)
- ▶ Invest your money for five years or more before you can start taking regular withdrawals.

## Risks

- ▶ The value of your investment can go up and down and you may get back less than you invested.
- ▶ When you cash in your account, you may get back less than is shown in the illustration you receive because:
  - investment growth is lower than we assumed when producing the illustration
  - you stopped paying into your account early on or you took a payment break, or
  - you have taken money out.
- ▶ The charges may increase.
- ▶ The tax rules which apply to the account could change.

- ▶ If you transfer money into the Wesleyan With Profits ISA:
  - there could be a rise in the markets while we are processing your transfer, which means you could miss out on an increase in the value of your investment
  - you may have to pay charges and other costs associated with the transfer
  - there is no guarantee that your investment will perform better after the transfer than where it is currently invested, and
  - there may be a higher or lower investment risk than with your current ISA.
- ▶ If you make a one-off subscription or you transfer an ISA from another ISA manager and you cancel the subscription or transfer during the cancellation period, you may get back less than you invested if we are applying a market value reduction when we receive your Cancellation Notice (this is a form we send to you with your account documents). For more information about market value reductions, see 'What is a market value reduction?' on page 8.

## Questions and answers

### What is an ISA?

- ▶ An ISA is a type of savings account with tax advantages. ISAs are sometimes called 'tax wrappers'. This means that the ISA is wrapped around the investment you have in it so you pay less or no tax. HMRC set how much you can invest each tax year in an ISA. (The tax year runs from 6 April one year to 5 April the following year.)
- ▶ You don't have to pay income tax on any income you receive from your ISA.
- ▶ You don't have to pay capital gains tax on any money you make from your ISA.
- ▶ You can invest in a Stocks and Shares ISA, a Cash ISA, an Innovative Finance ISA, a Lifetime ISA, or a combination of all four types during the tax year.
- ▶ You can choose one ISA manager for each ISA type.

### Who can take out a Wesleyan With Profits ISA?

You can open a With Profits ISA if you are:

- ▶ resident in the UK (for tax purposes), and
- ▶ aged 18 to 74.

If you are not sure if you qualify to open a With Profits ISA, please contact us.

You can subscribe to (invest in) the With Profits ISA if you have not already subscribed to a Stocks and Shares ISA in the current tax year.

### Can I use the Wesleyan With Profits ISA to make use of an increased ISA allowance I've inherited?

- ▶ Yes, you can use your existing Wesleyan With Profits ISA to make use of an increased ISA allowance called an Additional Permitted Subscription (APS), but only if your husband, wife or registered civil partner has died on or after 3 December 2014, holding one or more ISAs.
- ▶ You cannot use APS contributions to open a new Wesleyan With Profits ISA without first taking advice from a Wesleyan Financial Consultant.
- ▶ If your husband, wife or registered civil partner's ISA was not a Wesleyan With Profits ISA, you'll need to transfer the allowance to us before you can make an APS.
- ▶ You can only make an APS contribution in cash and as a single or a series of lump sums.
- ▶ Once you have subscribed to the Wesleyan With Profits ISA using an APS allowance, you cannot transfer that allowance to another ISA manager - you can only use it to make subscriptions to the Wesleyan With Profits ISA but you can transfer money out once you have made subscriptions.
- ▶ APSs must be made within the timescales set out by the Government. This is either within:
  - three years of the death of your husband, wife or registered civil partner, or
  - 180 days of the administration of their estate being completed, if this is later.

### How much can I pay in?

- ▶ There is a limit to the amount you can subscribe to (invest in) ISAs in a tax year.
- ▶ The most you can subscribe to ISAs in the current tax year (6 April 2017 to 5 April 2018) is £20,000. You can invest up to £20,000 in a Cash ISA, a Stocks and Shares ISA, an Innovative Finance ISA, a Lifetime ISA, or a combination of all four.
- ▶ The amount you invest in a Cash ISA, a Lifetime ISA, an Innovative Finance ISA (or all three) will reduce how much you can invest in a Stocks and Shares ISA.

- ▶ If you are subscribing to an existing Wesleyan With Profits ISA using an APS allowance you have inherited, you can make subscriptions up to the level of your APS allowance, over and above the personal annual ISA allowance.
- ▶ You can make both monthly and one-off subscriptions into your ISA.
- ▶ If you don't use all of your ISA allowance in any tax year you can't carry it forward.
- ▶ We take the Initial Charge from your subscriptions to the ISA. This will use some of your ISA allowance. (See 'What are the charges?' on page 6.)

### Monthly subscriptions

- ▶ Your monthly subscriptions need to be £100 or more, paid by direct debit. (You can pay your first monthly subscription by debit card.)
- ▶ You can increase your monthly subscriptions by £10 or more at any time.
- ▶ You can reduce your subscriptions at any time, as long as they don't go below £100 a month.
- ▶ You can pay any monthly subscriptions you have missed by debit card.
- ▶ You cannot make monthly APSs.

### One-off subscriptions (including Additional Permitted Subscriptions (APSs))

- ▶ You can make one-off subscriptions to your ISA. The minimum one-off subscription is £1,000 (or £500 if you have already invested in a Wesleyan With Profits ISA).
- ▶ You can make one-off subscriptions by debit card or cheque.

### Can I transfer an existing ISA to the Wesleyan With Profits ISA?

- ▶ You can apply to transfer an ISA that you hold with another ISA manager to the Wesleyan With Profits ISA.
- ▶ If you are setting up a new With Profits ISA with us, you need to transfer £1,000 or more from an existing ISA. If you already have a Wesleyan With Profits ISA, you have to transfer at least £500.
- ▶ If you have already subscribed to (invested in) a Stocks and Shares ISA in the current tax year, you have to transfer those subscriptions to us in full if you want to invest in the Wesleyan With Profits ISA.
- ▶ If you transfer money you have invested in the current tax year, you can add any extra subscriptions up to the maximum ISA allowance.
- ▶ If you transfer what you have invested in previous tax years, this won't affect how much you can invest in the current tax year.
- ▶ Before deciding to transfer investments into the Wesleyan With Profits ISA, you need to look at the advantages and disadvantages, which could include the following.
  - You could have to pay charges and other costs associated with the transfer.
  - You could miss out on an increase in the value of your investment if there is a rise in the markets while the transfer is taking place.
  - If you transfer your money into the Wesleyan With Profits ISA, there is no guarantee that it will perform better than where it is currently invested.

### Where is my money invested?

Your money is invested in the Wesleyan With Profits Fund. There is more information in our leaflet 'How our With Profits Fund Works (for policies where premiums are used to buy units)', which you can get from our website.



## Can I take some money out?

- ▶ You can take money out of your account at any time.
- ▶ You must always leave at least £1,000 in your account, otherwise we'll close it. If, however, you have £1,000 or less in your account, we won't close it if you are paying monthly subscriptions or taking regular withdrawals.
- ▶ When you have taken money out, you can't put it back into your ISA if that would take you over the maximum you're allowed to subscribe (invest in) for the tax year.
- ▶ We don't charge you for taking money out. However, we may apply a market value reduction which will reduce the value of your account. (See 'What is a market value reduction?' on page 8 for further details.)

## Regular withdrawals

- ▶ After five years, you can take regular withdrawals from your account. Withdrawing money from your account will reduce the value of your remaining investments.
- ▶ You can take regular withdrawals every month, every three months, every six months or every year. To pay the withdrawal we cash in units from your account.
- ▶ The minimum regular withdrawal you can take out is £50 a month (£600 a year).
- ▶ We may apply a market value reduction when you take regular withdrawals. (See 'What is a market value reduction?' on page 8.)
- ▶ We will pay regular withdrawals straight into your bank account.

## One-off withdrawals

- ▶ You can withdraw £500 or more from your account at any time by writing to us.
- ▶ We will pay one-off withdrawals by cheque.

## How do I cash in my account?

- ▶ You can withdraw all of your money by writing and telling us that you want to do this.
- ▶ We will close your account and send you a cheque.
- ▶ If you cash in your account we may apply a market value reduction. (See 'What is a market value reduction?' on page 8 for further details.)

## How much might I get back?

- ▶ How much your account is worth, if you decide to cash it in, depends on a number of things, including:
  - how much you've invested
  - how much you've already taken out
  - how long your money has been invested for
  - how well your investments have performed, and
  - the level of our charges.
- ▶ We may add regular bonuses and a final bonus to your account. There is more information about bonuses in our leaflet 'How our With Profits Fund Works (for policies where premiums are used to buy units)', which is on our website.
- ▶ We may apply a market value reduction if you take regular withdrawals or you cash in all or part of your account. (See 'What is a market value reduction?' on page 8.)
- ▶ You may get back less than you invested.
- ▶ The table below shows what you could get back if you invest a one-off subscription of £3,000 or monthly subscriptions of £150 over 10 years.

Illustrated cash-in values			
One-off subscription of £3,000			
Assumed growth rate	2% a year	5% a year	8% a year
Cash-in value after 10 years	£3,140	£4,200	£5,570
Monthly subscriptions of £150			
Assumed growth rate	2% a year	5% a year	8% a year
Cash-in value after 10 years	£18,100	£21,100	£24,600

- ▶ The figures in the table above assume that you are not opted into the Ongoing Advice Service that Wesleyan Financial Services provide. If you are opted into this service, the illustrated cash-in values (shown in the table) will be lower. For example, if the assumed growth rate is 5%, the illustrated cash-in value after 10 years for a one-off subscription of £3,000 is £3,990, and the illustrated cash-in value for monthly subscriptions of £150 after 10 years is £20,500.

- ▶ These figures are examples only and are not guaranteed. They are not minimum and maximum amounts. What you will get back depends on how your investment grows, our charges and the tax that applies to the investment.
- ▶ Financial companies have to use the same rates of growth to show what you might get back, except when a lower rate better reflects the investment potential of the product.
- ▶ Don't forget that inflation will reduce what you can buy in the future with the amounts shown.
- ▶ When we receive your completed application form, we will send you a personal illustration based on the amount you want to invest.

### What are the charges?

We (Wesleyan Assurance Society) collect charges from your ISA to cover our costs in managing your account and investments.

We take:

- ▶ an Initial Charge from each subscription you pay or transfer we receive, and
- ▶ an Annual Management Charge (AMC).

If you top up your account in the future and receive advice from Wesleyan Financial Services (WFS) about your investment, the Initial Charge will include the cost of the initial advice.

Your personal illustration shows how the charges may affect your account.

We may increase our charges in the future. If this happens, we will write and tell you.

#### Initial Charge

The Initial Charge you will pay is 3% of your subscriptions, transfer from another ISA manager or APS you pay into the account. We take this charge from each subscription you pay and invest the rest of your money in the With Profits Fund.

### Annual Management Charge (AMC)

The AMC is a percentage of how much your account is worth each year. We don't take the whole AMC at once – we split it up and take it over the year.

#### Paying for ongoing advice

Wesleyan Financial Services (WFS) offer an Ongoing Advice Service (OAS) to check that your investments continue to be suitable for you. As part of this service, WFS will also keep you up to date with changes to tax rules and other regulations that apply, and give you advice and guidance when you need it.

If you have not already chosen to receive the OAS and would like more information, please contact us (the phone number is on page 10).

If you opt into the OAS which WFS provide, we will increase your AMC by 0.5%.

We may change our charges at any time but we'll only do this when it is reasonable and we'll tell you about any changes as soon as we can. There is more information about when we can change our charges in the Policy Document.

#### Summary of our current charges

<b>Initial Charge</b> (This includes the cost of any initial advice which WFS provide.)	We take 3% of each subscription, transfer from another ISA manager or any APS you pay.
<b>Annual Management Charge (AMC)</b> (This includes the cost of the OAS which WFS provide if you opt into this service.)	Each year, 1.7% of how much your account is worth. (We take part of the 1.5% every day over the year, before we set the unit price. We take the rest (0.2% of the account value) by cashing in units monthly.)  If you opt out of the OAS, the AMC on your account will be 1.2% of how much your account is worth. (As we already take a portion of 1.5% every day before we set the unit price, we will add units to your account to make up the difference.)

## How will the charges affect my investment?

The table below and the one opposite show the effect of our charges over 25 years on the subscription amounts shown.

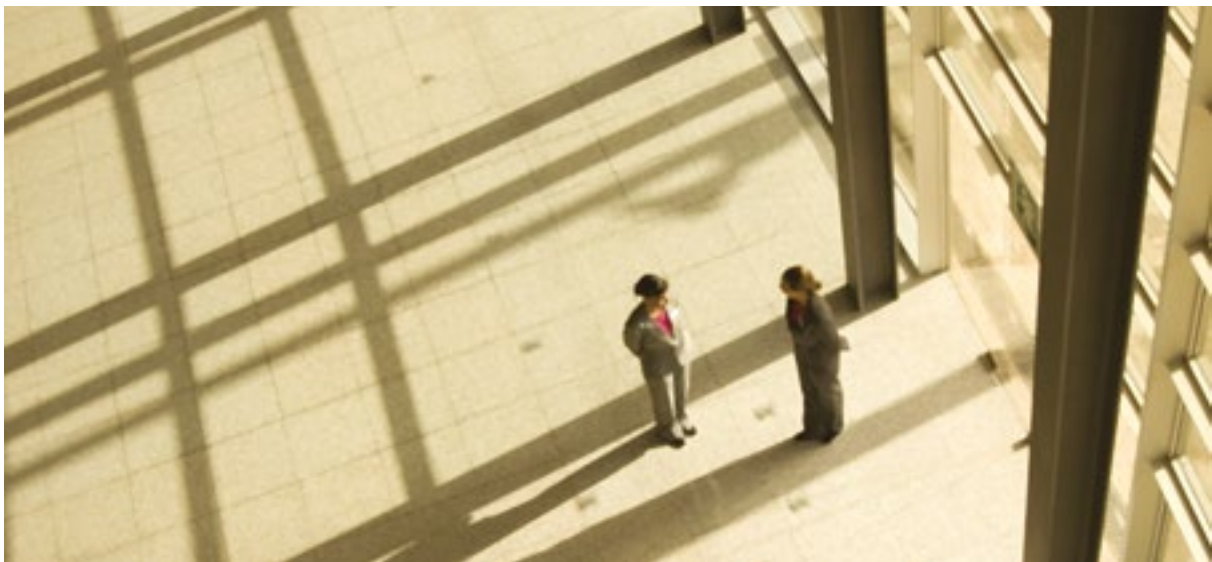
These figures assume that the investment grows at 5% a year, you do not take any withdrawals and you are not opted into the Ongoing Advice Service (OAS) that Wesleyan Financial Services provide. (If you are opted into this service, please ask us for a separate illustration to show how the charges will affect your subscriptions.)

One-off subscription of £3,000				
At end of year	Total paid in to date £	Total actual charges to date £	Effect of charges to date £	What you might get back £
1	3,000	130	130	3,010
2	3,000	168	175	3,130
3	3,000	208	223	3,240
4	3,000	248	275	3,370
5	3,000	291	331	3,490
10	3,000	527	682	4,200
15	3,000	811	1,180	5,050
20	3,000	1,150	1,880	6,070
25	3,000	1,560	2,850	7,290

Monthly subscriptions of £150				
At end of year	Total paid in to date £	Total actual charges to date £	Effect of charges to date £	What you might get back £
1	1,800	67	67	1,780
2	3,600	156	159	3,620
3	5,400	269	280	5,540
4	7,200	405	431	7,530
5	9,000	567	614	9,590
10	18,000	1,780	2,110	21,100
15	27,000	3,770	4,880	35,000
20	36,000	6,700	9,440	51,600
25	45,000	10,700	16,500	71,700

## What are the charges for?

- ▶ The charges include the cost of setting up, arranging and managing the account. We also apply an AMC charge to help us meet the costs of running the With Profits Fund.
- ▶ The last line of the tables show that over 25 years the effect of the total charges could be £2,850 for a one-off subscription of £3,000 and £16,500 for monthly subscriptions of £150 over 25 years.
- ▶ Putting this another way, the charges reduce the assumed investment growth rate from:
  - 5% a year to 3.7% a year for a one-off subscription of £3,000, and
  - 5% a year to 3.6% a year for monthly subscriptions of £150.



- ▶ If you are opted into the Ongoing Advice Service that Wesleyan Financial Services provide, the charges reduce the assumed investment growth rate from:
  - 5% a year to 3.1% a year for a one-off subscription of £3,000, and
  - 5% a year to 3.1% a year for monthly subscriptions of £150.

### How much will the sale costs be?

- ▶ If you are an existing Wesleyan customer, we pay commission to Wesleyan Financial Services Limited out of the charges.
- ▶ The amount of commission will depend on how much you invest.
  - We will pay £90 straight away if you invest a one-off subscription of £3,000.
  - We will pay a one-off amount if you pay monthly subscriptions. For example, if you take out the account when you are age 30 and pay monthly subscriptions of £150, we will pay commission of £430.02. Your personal illustration will confirm the amount of commission we will pay.
- ▶ The illustration (as shown in the tables on page 7) includes these charges and shows the effect they have on reducing the value of your investment over different time periods.
- ▶ If you are not sure if this product is suitable for you, you should contact a Wesleyan Financial Consultant.

### What happens to my ISA if I die?

- ▶ The ISA tax advantages will no longer apply and your money will stop being invested in the With Profits Fund from the date of your death.
- ▶ We may add interest to your money from the date of your death to the date we pay out the investment. Tax may need to be paid on this interest.
- ▶ We will pay out 101% of your account's value (which may include a final bonus) if you die.
- ▶ We won't apply a market value reduction to any benefits we pay out because you have died. (See 'What is a market value reduction?' for further details.)

- ▶ If your husband, wife or registered civil partner asks us to, we will confirm the value of your account to them so they can work out their own APS allowance. Also, we will transfer the allowance to another ISA manager of their choice if they ask us to do this.

### What is a market value reduction?

A market value reduction is an adjustment we make which reduces how much you get back if you withdraw money at certain times (for example, when share prices are generally low).

We may apply a market value reduction if:

- ▶ you decide to take regular withdrawals
- ▶ you cash in all or part of your account
- ▶ you transfer all or part of your Wesleyan With Profits ISA to another ISA manager, or
- ▶ you cancel a subscription or transfer during the cancellation period.

If we apply a market value reduction, it will reduce the value of your account investments and you could get back less than you invested.

How much we reduce the value of your investments by will depend on when you invested in the fund and the value of our With Profits Fund when you take money out.

There is more information in our leaflet 'How our With Profits Fund Works (for policies where premiums are used to buy units)', which you can get from our website.

### What about tax?

- ▶ You don't have to pay income tax or capital gains tax on any money you make from the investments in your ISA.
- ▶ You don't have to put the ISA on your tax return.
- ▶ This is how we understand the current tax rules. They may change in the future.
- ▶ Your investment will be part of your estate when you die and there may be inheritance tax to pay.



### Can I transfer my Wesleyan With Profits ISA to another ISA manager?

- ▶ You can transfer all or part of your Wesleyan With Profits ISA to another ISA manager at any time.
- ▶ Before deciding to transfer, you need to remember that we may apply a market value reduction to the value of your investment before it is transferred. (See 'What is a market value reduction?' on page 8.)

### What happens if I stop paying?

- ▶ You can stop paying monthly subscriptions at any time. If the value of your account is less than £1,000 when you stop your monthly subscriptions and you are not taking regular withdrawals, we will close your account and pay the value to you.
- ▶ We will reduce the value of the investments in your account if a market value reduction applies when we close your account. (See 'What is a market value reduction?' on page 8.)

### Can I change my mind?

Yes, you can change your mind. Simply fill in the Cancellation Notice (this is a form we send to you with your account documents) and return it to us within 30 days of the date you received it.

If you make a one-off subscription or APS, or if you transfer an ISA from another ISA manager and you cancel the subscription or transfer in the cancellation period, you may get back less than you invested if we are applying a market value reduction when we receive your Cancellation Notice.

If you decide to cancel your transfer, we can pay the money straight to you by cheque, transfer it to another ISA manager or return it to the original ISA manager. However, if the original ISA manager does not accept the return of your investment, we will contact you. If we return the investment to you, you will lose your ISA tax advantages for that money.

You cannot cancel the transfer of an APS allowance from another ISA manager if you have already made an APS to the Wesleyan With Profits ISA using that allowance.



## How can I find out how my ISA is doing?

You can:

- ▶ check the statement we send to you every six months
- ▶ call our helpline on 0345 351 2352 for an up-to-date valuation, or
- ▶ visit our website ([www.wesleyan.co.uk/Login](http://www.wesleyan.co.uk/Login)). You need to register your details with us to see the value of your account online.

## Other information

### Client classification

We will treat you as a 'retail client'. This means that you will receive the highest level of protection under the Financial Conduct Authority rules and should have the right to complain to the Financial Ombudsman Service.

### How to complain

We do everything we can to make sure we always give you the best possible service. If you are unhappy with any part of the service we have given you and want to complain, you can contact us in the following ways.

- ▶ Speak to our Customer Relationship Centre on 0800 092 1990. Our lines are open from 8.30am to 6.30pm, Monday to Friday and from 9am to 2pm on Saturdays.
- ▶ Fill in the online contact form which you can find on our website at [www.wesleyan.co.uk](http://www.wesleyan.co.uk)
- ▶ Email the Complaints Team at [complaints@wesleyan.co.uk](mailto:complaints@wesleyan.co.uk)
- ▶ Write to:
 

Complaints Team  
Risk and Regulatory  
Wesleyan Assurance Society  
Colmore Circus  
Birmingham  
B4 6AR

You can also fax your letter to us on 0121 200 9210.

If, after receiving our response, you're still not happy, you can refer your complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Phone: 0800 023 4567 or 0300 123 9123.

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

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Complaining to the Ombudsman won't affect your legal rights.

### Law

The plan is governed by the law of England.

### Compensation

If we cannot meet our financial obligations to you, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) under the Financial Services and Markets Act 2000. You can get details of the scheme from the FSCS at:

FSCS

10th Floor

Beaufort House

15 St Botolph Street

London EC3A 7QU

Phone: 0800 678 1100

Phone: 020 7741 4100

Email: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

Website: [www.fscs.org.uk](http://www.fscs.org.uk)

## How to contact us

If you have any questions, please contact us in any of the following ways.

- ▶ Call us on 0345 351 2352. Our lines are open from 8.30am to 6.30pm, Monday to Friday and from 9am to 2pm on Saturdays. We may monitor our calls to improve our service.
- ▶ Write to us at:
 

Wesleyan  
Colmore Circus  
Birmingham B4 6AR
- ▶ Fax us on 0121 200 2971.
- ▶ Visit our website at [www.wesleyan.co.uk](http://www.wesleyan.co.uk)



For further information, please call 0345 351 2352.  
Or visit: [www.wesleyan.co.uk](http://www.wesleyan.co.uk)

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[www.linkedin.com/company/wesleyan](http://www.linkedin.com/company/wesleyan)

#### Head Office

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