

INTERNET ONLY CASH ISA

TERMS AND CONDITIONS

Your agreement with us is contained in these Specific Terms and Conditions, the Wesleyan Bank General Terms and Conditions and the application form. If there is any difference between them, these Specific Terms and Conditions override the general terms and conditions. These Specific Terms and Conditions include our charges and the interest rates, notice periods, minimum or maximum balances and other terms which are specific to the Internet Only Cash ISA. A copy of the Wesleyan Bank General Terms and Conditions is available on our website www.wesleyanbank.co.uk.

Definitions

In these terms and conditions we use financial words and phrases that not everyone will be familiar with. We've explained what these mean below.

- ▶ **Account** – the Internet Only Cash ISA
- ▶ **Account Manager** - Wesleyan Bank
- ▶ **Cash ISA** – an ISA which is designated as a cash account under the ISA regulations.
- ▶ **ISA** – an Individual Savings Account as defined in the ISA Regulations.
- ▶ **ISA Regulations** – the ISA Regulations 1998 (as amended from time to time).
- ▶ **Qualifying individual** – an individual who qualifies to open this ISA. You must:
 - be aged 16 or over;
 - are resident in the UK for tax purposes or performing duties as a Crown Employee which are treated as being performed in the UK (or be married to or be in a civil partnership with a person who performs such duties);
 - not have subscribed to another Cash ISA in the current tax year (except as permitted by ISA regulations);
 - not have already paid into an ISA for the current tax year.

- ▶ **Stocks and shares ISA** – an ISA which is designated as a Stocks and Shares account under the ISA regulations.
- ▶ **Innovative Finance ISA** – an ISA which is designated as an Innovative Finance account under the ISA regulations.
- ▶ **Lifetime ISA** - an ISA which is designated as a Lifetime ISA account under the ISA regulations.
- ▶ **Subscriptions** - the money you pay into your ISA.
- ▶ **Year** – the tax year which starts on 6 April one year and ends on 5 April the following year.

Wesleyan Bank Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is approved by HM Revenue & Customs as account manager under the ISA Regulations.

This information is based upon our understanding of current taxation legislation, which could change in the future.

Opening an account

The account is available for personal use by people aged 16 years or over who are resident (or treated as resident by virtue of S28 Income Tax (Earnings and Pensions) Act 2003) in the UK for tax purposes.

In order to participate in the account you are required by the ISA Regulations to be a qualifying individual and to sign the declaration contained in the application form stating that you satisfy the definition of a qualifying individual.

This account must be opened with a deposit of £20,000 which is the full allowance for 2019/2020. Therefore, you will not be able to subscribe to any other ISA in the tax year ending 5 April 2020. This means that if you have already subscribed to a Cash ISA, Stocks and Shares ISA and/or a Innovative Finance ISA in this tax year you will not be able to open an account unless you are also transferring all your current year subscriptions to this account.

This account must be opened with the full ISA allowance for the tax year which means that if you have already subscribed

to a Stocks and Shares ISA and/or a Innovative Finance ISA in this tax year you will not be able to open an account. If you have already subscribed to a Cash ISA in this tax year you will not be able to open an account unless you are also transferring your current year subscriptions to this account.

The account application must be completed online, then printed, signed and sent to Wesleyan Bank with a cheque for the minimum opening balance.

Your subscription

The maximum amount you can subscribe to a Cash ISA in the tax year beginning 6 April 2019 and ending 5 April 2020 is £20,000.

This account must be opened with a deposit of £20,000 which is the full allowance for 2019/20.

Your deposit must be made by way of a cheque for the appropriate amount of your own money.

Transferring in to an Internet Only Cash ISA

If you have an existing ISA with another ISA Manager you can transfer all or part of it to an Internet Only Cash ISA.

You may apply to transfer either the whole of your current year's subscriptions, and/or previous years' subscriptions in whole or in part, of an existing ISA which you hold, to us. Once your ISA has been transferred you will be subject to these Terms and Conditions. We do not charge for this service, however, your existing ISA Manager may apply an exit charge. There is no maximum amount that can be transferred. Upon receipt of the transferred subscriptions, we will apply the funds to your account within 3 business days. You may not transfer your current year's subscriptions, and/or previous years' subscriptions from an existing Wesleyan Bank Cash ISA to an Internet Only Cash ISA.

Fixed-rate term

The term will be for the fixed period you agree to in your application for the Account. The Account term will run from the day the money paid into your account clears; for cheque deposits this will be two working days after we receive it; or for transfers received via CHAPS, BACS or Faster Payment on the day we receive it. Please refer to our General Terms and Conditions for full details. Once you have chosen the term of your fixed-rate investment, it cannot be changed.

Interest

The interest rate is fixed at the time we receive your application and payment will not change during the term.

Interest is calculated on the daily cleared credit balance of your account and is applied to the account annually on 5 April and at the end of the term. Under the ISA Regulations interest generated on your account is exempt from UK income tax and will be paid to your account gross.

Taking money out

You can take some of the money out before the term finishes, but if you do there will be a withdrawal/closure charge as detailed below.

Access to the account is via our Internet Banking Service only. Withdrawals can be made by transfer to a nominated bank or building society account (or by cheque if you close the account).

There is no debit card, cash card or cheque book with this account and you can't use your account to make direct debits or standing orders.

Our Telephone Banking Service is not available with this account.

Withdrawals have no effect on your ISA allowance. For example, if you subscribe £20,000 in May and then withdraw £500 in July, you will not be allowed to subscribe any further amounts for that tax year. This Cash ISA is not a Flexible ISA.

Withdrawal/closure charge

If you withdraw some or all of the money in your account before the end of the fixed rate term, a charge will be made. If you withdraw some of the money in your account, this charge will be deducted from the remaining balance in your account. Or if you withdraw all or close your account, this charge will be deducted from the money before we pay it to you.

There is no charge during the 14-day cooling-off period after you open the account, or if the account is closed because you die. The charge depends on the term of your account, as set out below.

- ▶ Term of 2 years or less charge is equivalent to 90 days' gross interest on the amount withdrawn.
- ▶ Term over 2 years charge is equivalent to 180 days' gross interest on the amount withdrawn.
- ▶ If the account has not been open for 90 or 180 days (as applicable), the charge will be applied for the number of days it has been open.

Transferring your ISA

At any time you may give us instructions to transfer, within a time stipulated by you, current tax year subscriptions in whole, or previous tax year subscriptions in whole or in part to another ISA manager. Under the ISA regulations, the time stipulated by you may be any reasonable business period (not exceeding 30 days).

Subject to your stipulated transfer date, upon receipt of a transfer request, the subscriptions and required transfer information will be sent to the new ISA manager within five business days. The withdrawal/closure charge as detailed above will be applied to any account transferred out during the fixed rate term.

Other charges

We do not make any standard service charges for operating your account.

We may, however, make a charge for any other services which we may make available to you from time to time on a discretionary basis ('non-standard services'). If you ask to use non-standard services, we will tell you the amount of our charges before we act on your instructions.

When we can keep money from the proceeds of your ISA

We are entitled to use any cash in your ISA to pay our charges and to pay any tax or other amount necessary to HM Revenue & Customs or other government agency in relation to your ISA.

Before we deduct any charges we will give you at least 14 days notice of how much we will deduct except in relation to any withdrawal/closure charge as detailed above.

If we do not know how much the tax or other amount will be, we may keep an amount of cash that we feel is reasonable and appropriate.

Statements / Enquires

You may view your account online using our free Internet Banking Service.

Our Telephone Banking Service is not available for enquiry purposes with this account.

You may email us at enq@wesleyan.co.uk. However, we are unable to process instructions sent to us via insecure email, please use the Internet Banking Service for this purpose. If you send us an email, you cannot assume that it has reached us until we return an email acknowledging receipt. Statements of your account will be sent to you each year as at 5 April.

Death of account holder

If you die your account will remain open until such time your personal representatives have completed the necessary formalities to close the account (for example, obtaining the grant of representation).

From 6 April 2018, any interest earned between the date of your death and the earlier of:

- ▶ the date the account is closed,
- ▶ the third anniversary of your death,
- ▶ the date the administration of your estate is finalised,

will continue to be free from income tax.

During this time the account will be a continuing account for a deceased investor.

Your investment will be part of your estate and there may be inheritance tax to pay. Any subscriptions made after the date of death will not be valid.

No charge will be applied if closure is required by your personal representative in the event of your death.

From 6 April 2015, your husband, wife or registered civil partner has been able to inherit your ISA benefits if you die. They will be given an enhanced ISA limit for a specified amount of time, which will be equal to the higher of:

- ▶ the value of the account when you die;
- ▶ the value of the account when it ceases to be a continuing account of a deceased investor.

This only applies to deaths on or after 3 December 2014

Closure of account

If you wish to close your account there will be no loss of tax exemptions. If you close your account before the end of the fixed rate term, a withdrawal/closure charge will be made as detailed above.

We shall be entitled to close the account immediately if we believe that it is impossible to administer the account in accordance with the ISA Regulations or if you are in breach of the ISA Regulations. The account will terminate automatically with immediate effect if it becomes void under the ISA Regulations and will no longer be tax exempt. We will notify you in writing if this occurs.

In the event that we wish to cease to manage the account the ISA will be terminated following the giving of six months written notice to you. You may then transfer the account to another approved ISA manager of your choice. If we have to close the account because we no longer qualify as an account manager under the ISA regulations, we shall give you 30 days notice of the closure and you may then transfer the account to another ISA manager of your choice. There will be no charge made if we cease to manage the account under these circumstances.

At the end of the fixed-rate period

At least 14 days before the end of the term, we will write to you asking for instructions about what you would like us to do with the balance in your Account. If we do not hear from you, upon maturity, your money stays tax free within a Wesleyan Bank Cash ISA with a variable interest rate. We will advise you of the terms and conditions of the account and the interest rate applicable at this time.

When we write we may also send you information about other accounts we think may be appropriate, for example, if we are offering similar accounts at the time that you may want to reinvest in.

Internet Banking Service

The terms and conditions for our Internet Banking Service are contained in the Wesleyan Bank General Terms and Conditions. The procedures you must follow when using the service are contained in the user guidance we give you in any form including electronic help texts.

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If you would like this document in Braille, large print or audio format, please contact 0345 351 2352.

Wesleyan Bank Ltd (Registered in England and Wales No.02839202) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No.165116). Registered office: PO Box 3420, Colmore Circus, Birmingham, B4 6AE. Tel: 0800 358 1122. www.wesleyanbank.co.uk. Telephone calls may be recorded for training and monitoring purposes.