

HSBC InvestDirect Cash ISA

Terms and Conditions



The world's local bank

These HSBC InvestDirect Cash ISA Terms set out the details of the agreement between you and us which govern your cash ISA. They are in addition to the IDA Terms governing your relationship with us. Please read these Account Terms carefully. They are effective from the 28 March 2011.

You may only hold an Account if you have an IDA with us. If you close your IDA, your Account must be closed or transferred to another ISA manager at the same time.

The Account allowed you to reinvest the capital (but not any interest) of a matured Tax Exempt Special Savings Account (TESSA) and continue to earn interest free of UK income tax.

Opening a new Account or transfers into an Account from another ISA manager are no longer permitted.

The information in these Terms is based on our understanding of current UK tax law and HM Revenue & Customs practice at the time of printing. Tax law and practice can change and any change could be applied retrospectively. You should remember that the tax law applicable depends on your own situation and residency status.

Definitions

All the expressions used in this Agreement have the same meanings given to them in the IDA Terms except as otherwise specified below:

Account means the HSBC InvestDirect Cash ISA established in accordance with these Terms, or any previous terms and conditions, your Application and the Regulations;

Account Manager means HSBC Bank plc, a member of the HSBC Group, registered office, 8 Canada Square, London E14 5HQ. HSBC Bank plc is authorised and regulated by the Financial Services Authority, registration number: 114216;

Agreement means these Terms and the IDA Terms;

Application means a properly completed application to open an Account. Opening a new Account or transfers into an Account from another ISA manager are no longer permitted;

Associate(s) means any holding company of ours or a subsidiary of any such holding company as such terms are defined in Sections 1159 and 260 of the Companies Act 2006 as amended or replaced from time to time;

IDA Terms means the general terms and conditions for our HSBC InvestDirect Plus Account;

ISA means an Individual Savings Account governed by the Regulations;

PIB means HSBC personal internet banking service by which you may access information and give us instructions in respect of your account(s) with us;

Rates and Fees Page means the specific page on our Website or in paper format as amended and notified to you from time to time. It displays our current interest rates for your IDA depending on the type of accounts you maintain with us, messages referring to interest rate changes and all our current fees for the provision of services subject to the Terms;

Regulations means the Individual Savings Account Regulations 1998 in SI 1998 No. 1870 (as amended or replaced from time to time);

Rules mean the rules and regulations in force from time to time of the Financial Services Authority, and any other successor regulator acting within the scope of the Financial Services and Markets Act 2000 or any other or any legislation applicable to the Account at any given time;

Secure e-message means a secure e-message sent via our Website relating to your Account;

Tax Year means a year beginning on 6 April and ending 5 April in the following calendar year;

TBS means the HSBC Telephone Banking Service;

Terms means these Account terms and conditions;

We, us, our or ourselves means HSBC Bank plc;

Website means the location within PIB from which you can access the HSBC Invest Direct Service (as set out in the IDA Terms);

You or your means the individual who signed the Application.

1 Appointment and authority

1.1 You appoint us as the Account Manager for your Account. We will operate your Account in accordance with this Agreement, your Application, the Rules and the Regulations.

1.2 On giving you at least 30 days notice, we may appoint an Associate as manager of the Account in our place. In such circumstances, that Associate will manage the Account in accordance with these Terms.

2 Interpretation and Amendment

2.1 This Agreement will replace the terms of any agreements which we have previously entered into with you in respect of the Account. If there is a contradiction between information on our Website relating to the Account and these Terms or any conflict between these Terms and the IDA Terms then these Terms will prevail.

2.2 In addition, we may vary the terms of this Agreement at any time without notice if we are required to do so by HM Revenue & Customs or by reason of any amendment to the Regulations or the Rules. In such an event we will inform you as soon as practically possible.

2.3 Subject to the Regulations and/or the Rules and/or any H M Revenue and Customs requirements which may require an immediate change, and subject to clause 2.4, we may amend these Terms for one or more of the reasons set out in clause 9.2, as follows:

2.3.1 If the change is to your disadvantage, we will tell you about it personally at least 30 days in advance. You may, at any time up to 30 days from the date we tell you of the change, transfer your Account or close it. You will not have to pay any additional charges or interest for doing this during this period;

2.3.2 If the change is to your advantage, we will tell you about it personally within 30 days' of the change.

2.4 We may make changes to the basis on which we charge for operating/providing the Account by giving you at least 30 days advance personal notice, and where we are required to do so we will give you 30 days advance personal notice.

2.5 We will tell you about changes personally, which includes telling you by post, statement message, e-mail or secure e-message.

3 Delegation

3.1 We may delegate any of our functions or responsibilities under this Agreement to any person, provided that before doing so we shall, and we shall continue to, satisfy ourselves that such person is competent to carry out those functions and responsibilities.

4 Transfers out

4.1 Within five Business Days of us receiving both your instructions in writing to make a transfer, and confirmation from the new ISA

manager that they are prepared to accept the transfer, we will transfer to the new ISA manager the balance of your Account, together with all required information and all rights and obligations relating to your Account.

4.2 Before we transfer the monies in your Account, we shall be entitled to deduct from the Account an amount necessary to discharge any obligations or liabilities incurred in connection with the Account including tax liabilities.

5 Death

5.1 In the event of your death, any exemption from income tax will end immediately. We may use any money in your Account to reduce or repay any amounts you owe on other accounts with us anywhere in the same name. Subject to this we will continue to deal with your Account in accordance with these Terms and the instructions received from your legal personal representative(s) who will become subject to these Terms. Your personal representative(s) must provide us with proof of death and of their appointment. Following receipt of proof which is acceptable to us, we will pay the net proceeds of your Account to your personal representative(s). Any interest credited to your Account after you die will be subject to the deduction of income tax by us at the rate of 20% or such other rate as is required by law.

We will pay this to HM Revenue & Customs. We will provide your personal representatives with the appropriate statements with regard to the Account and any relevant tax certificate.

6 Withdrawal and Closure of your Account by you

6.1 No partial withdrawal may be made from the Account.

6.2 In accordance with the Regulations at your written request, and within the time you stipulate and subject to Clause 6.1, you may withdraw any amount from your Account or close your Account. While we will normally carry out your request within the time you stipulate, there may be occasions where such withdrawal or closure will take longer to complete due to circumstances beyond our control.

6.3 You may close your Account at any time by giving instructions in writing to us either at the address outlined in the How to contact us section of your InvestDirect Plus Terms and Conditions or by secure e-message. We may continue

to debit your Account with the amount of any withdrawal or transfer previously instructed which was not debited prior to its closure. On closing your Account we will transfer the monies in your Account to your IDA (as appropriate) unless you request us to and we agree to place them in any other account that you hold with us. We shall be entitled to deduct from the Account an amount necessary to discharge any obligations or liabilities incurred in connection with the Account including tax liabilities.

6.4 When you instruct us to make a withdrawal from your Account and/or close your Account in accordance with this clause, you must provide us with details of the account to which you want us to transfer the amount of withdrawal.

7 Closure of your Account by us

7.1 Subject to the Regulations, we may close your Account at any time by giving you 30 days' notice by email, post or other electronic means unless there are circumstances which justify us in closing your Account on earlier notice. If you become non-UK resident we may need to close your Account depending on your country of residence. We will transfer the value of your Account to your IDA (as appropriate or as you otherwise direct and we may agree). We will notify you if, by reason of any failure to satisfy the provisions of the Regulations, your Account has or will become void. As soon as practicable thereafter we will transfer (subject 6.3 above) the value of your Account to you or to your IDA by internal transfer to an account you hold with us in the same name or by sending a cheque to you.

8 Ownership

8.1 You will be and will remain the beneficial owner of the money in your Account. You may not use your Account as security for a loan.

8.2 You may not transfer any of your rights or obligations in relation to your Account.

8.3 You must not borrow on your Account.

9 Interest rates

9.1 Any cash in your Account will earn interest at the applicable rate specified on the Rates and Fees Page within the Website,, which also sets out information on when interest will be paid to you. On request, a full explanation of how interest is calculated will be provided. We may vary our interest rates that apply to your Account

for the reasons set out in clause 9.2. In the following ways:

9.1.1 If the change is favourable to you within 30 days of the change, giving you notice by post, e-mail or secure e-message;

9.1.2 If the change is not favourable to you, by telling you about it personally, either by letter or Secure e-Message, at least 30 days in advance of making the change;

9.2 Any variation in the Terms or interest rates at any time will be for one or more of the following valid reasons:

9.2.1 Following, or in anticipation of, a change in relevant law, regulation, code of practice or guidance or general banking practice;

9.2.2 To reflect the making of a recommendation, requirement or decision of any court, ombudsman, regulator or similar body;

9.2.3 To reflect any change in the base rate or any rate that replaces it as set by the Bank of England or by any bank that takes over responsibility for settling such a rate;

9.2.4 To reflect changes or anticipated changes in costs associated with relevant technology, the costs we pay to others, in respect of the product in question, inflation and/ or in our costs of providing accounts, services or facilities;

9.2.5 To reflect our internal policies on competitiveness, market share and/or profitability of our business as a whole, or, where we are not acting dishonestly, for an improper purpose, in a manner which inappropriately discriminates against a particular customer or as an unreasonable financial institution would;

9.2.6 To reflect any changes or anticipated changes in money market interest rates or the cost to us of money we lend;

9.2.7 To reflect any change in our systems and procedures, including any reorganisation of our business by its being acquired by or by our acquiring another bank or organisation;

9.2.8 To reflect any event beyond our control;

9.3 We calculate interest on the daily cleared balance of your Account and we will pay your interest monthly.

9.4 We will pay interest to your Account, or as you direct, without the deduction of UK income tax.

10 Statements

10.1 We will send you a yearly paper statement showing the transactions on and the balance of your Account.

10.2 If one or more payments have been made from your Account in any month you can ask us to provide you with a statement for that month in the way you usually receive statements.

10.3 Please tell us as soon as you can if any of your statements have an entry that seems to be wrong.

10.4 When we provide you with details of the balance on your Account, however we make this available, it may include transactions that are still in the process of being cleared and so may be subject to change. We may also provide you with details of the available balance upon your Account. This represents funds that you are able to draw.

10.5 If you ask, we will send you additional paper copies of statements. We may charge for additional statements.

11 Your Information

In this section, “we”, “us” and “our” refer to HSBC Bank plc and “HSBC Group” means HSBC Holdings plc, its subsidiaries, associated and affiliated companies

11.1 Information we hold about you will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- we are legally required to disclose, or
- we have a public duty to disclose, or
- our interests require disclosure, or
- the disclosure is made with your consent, or set out in the terms below.

11.2 Credit Reference Agencies

We may share information with credit reference agencies (CRAs) to verify your identity. This will include the use of information from the Electoral Register and other public sources. Credit reference agencies record details of the search even if you do not proceed but the search will not be seen or used by lenders to assess your ability to obtain credit.

11.3 Crime Prevention and Debt Recovery

To prevent crime, to verify your identity and to recover debt, we may exchange information (both within the UK and, where appropriate, overseas) with other members of the HSBC Group, and,

where appropriate, with fraud prevention and debt recovery agencies and other organisations including other lenders. If you have provided false or inaccurate information and we suspect fraud, we will record this.

Information held by fraud prevention agencies may be used by lenders and insurers when making decisions about you or others at your address(es) for credit-related services or motor, household, credit, life or any other insurance facilities and for debt tracing, claims assessment and to prevent fraud and money laundering.

12 Data Sharing

12.1 The HSBC Group may record, exchange, analyse and use relevant information about you and your relationships with the HSBC Group (including the nature of your transactions) for credit assessment, customer service, market research, insurance and administrative purposes. This may include information provided by you, or someone acting on your behalf.

Where appropriate (for example if you have relationships with other HSBC Group companies in other countries) this information may be shared with HSBC Group companies outside the UK.

12.1.2 We may use other HSBC Group companies and/or third parties to process information and provide services on our behalf, which may include the processing of information about you.

Whether it is processed in the UK or overseas, your Personal Information will be protected in accordance with data protection legislation, by a strict code of secrecy and security which all members of the HSBC Group, their staff and any third parties are subject to and will only be used in accordance with our instructions.

12.2 Information about Products and Services

With your permission, we and other members of the HSBC Group would like to share information about you to enable each of us to keep you informed about special offers, products and services, including mortgages, available from the HSBC Group and selected third parties by post, telephone, email, mobile text and picture messaging. If you do not want us to contact you about such products and services, please let us know. Under data protection legislation, you can make a written request for a copy of certain personal records we hold about you. The current

fee is £10 per request from each individual. Telephone free phone number 0800 587 7008 (textphone 1800 10800 0283 516) Monday to Friday 9am to 5pm, if you require details of the credit reference and fraud prevention agencies we use. To help us to continually improve our service and in the interests of security, we may monitor and/or record your telephone calls with us. Any recordings remain our sole property. We will obtain your written consent before providing a banker's reference about you. However, if we receive a request from another financial services institution to verify your identity for money laundering prevention purposes, we will provide this information. We may use any contact details you provide to us for service related reasons. You should only give us your email address, home, work or mobile telephone number, if you are happy for us to contact you in these ways. If you want us to stop contacting you in a particular way, you should let us know.

13 Miscellaneous

13.1 We, or any other member of the HSBC Group, may take whatever action we consider appropriate to meet any obligations, either in the UK or elsewhere in the world, relating to the prevention of fraud, money laundering and terrorist activity and the provision of financial and other services to persons who may be subject to sanctions. This may include, but is not limited to, investigating and intercepting payments into and out of your account(s) (particularly in the case of international transfers of funds) and investigating the source of or intended recipient of funds. It may also include making enquiries to establish whether a person is subject to sanctions. Exceptionally, this may delay the carrying out of your instructions or the receipt of cleared funds but, where possible, we will advise you of the reasons for and likely length of any delay.

13.2 Neither we nor any other member of the HSBC Group shall be responsible to you or any third party for any loss incurred as a result of us or any other member of the HSBC Group taking the actions set out in clause 13.1 above. In addition, we shall not be responsible to you for any loss you may incur if we, or any of our agents or correspondents are prevented from or delayed in providing you with any banking or other services due to strikes, industrial action, failure of supplies or equipment or other causes beyond our reasonable control.

13.3 You agree that we may use any contact details you have provided to us, including your postal address, telephone number(s) (including

your mobile telephone number) to contact you for service or operational reasons. These include telling you about changes to the Terms or interest rates that apply to your Account and generally communicating with you about the day-to-day running of your accounts, products and services. If you are registered for internet banking you agree that we may also contact you using our secure e-message service within internet banking for these purposes. You must ensure that the contact details you provide are accurate and that you notify us promptly of any changes. Remember, communications may contain confidential information and if anyone else has access to your email inbox or mobile telephone messages for example they may be able to see this. If you would prefer that we do not contact you for service or operational reasons by email, mobile message or secure e-message please let us know. Whilst we will try to use your preferred channels wherever possible, you may continue to receive important service messages via these channels, for example, when we need to contact you urgently. Where we hold alternative postal address(es) for you, we may send mail to your home address if it is returned from, or you do not respond to, mail sent to your correspondence address.

14 Liability

14.1 Making payments

14.1.1 We will make withdrawal payments to an account you hold with us in the same name, or by cheque to you based on the information we require you to provide us as set out in clause 6. If you provide us with incorrect information, we will not be responsible if the withdrawal payment is not made, it is delayed or it is made incorrectly. If you ask us, we will make reasonable efforts to recover an incorrect withdrawal payment.

14.1.2 If you provide us with extra information to that specified by us as required, we will only be responsible for making the withdrawal payment based on the information we have told you we require.

14.1.3 If you have instructed us to make a withdrawal payment, we are responsible for it being made correctly.

14.1.4 If a payment has been made incorrectly by us we will, without undue delay, refund your Account with either:

- the payment; or
- in the case of an overpayment, any excess amount incorrectly deducted so you do not incur any loss.

We will also restore your Account to the position it would have been in had the incorrect payment or overpayment not been made, for example, by refunding any charges or interest as appropriate. We will not do this if the circumstances giving rise to the incorrect payment transaction were due to abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary.

14.1.5 If you ask us, we will make immediate efforts to trace a payment and will tell you the outcome.

14.2 Unauthorised transactions

You must read your statements carefully on receipt. To help us prevent fraud, you must tell us immediately by calling us if you do not recognise any transaction shown on your statement or if you think any withdrawal payment you have authorised has been executed incorrectly. If you do not tell us promptly (at the latest within 13 months of the date the transaction was deducted from your Account), you may not be entitled to have any errors corrected.

14.3 Liability for unauthorised transactions

14.3.1 Subject to clauses 14.3.2 to 14.3.4 and clause 14.3.5 we will be responsible for any unauthorised transactions that you tell us about in accordance with clause 14.2 (if, on reasonable grounds, we suspect fraud or that you have been grossly negligent, we will investigate the transaction). Where we are responsible, we will immediately refund the amount of the unauthorised transaction and any resulting interest and charges. We will have no further liability to you.

14.3.2 You will be responsible for all losses if you act fraudulently or if you allowed another person to use your Account.

14.3.3 You will be responsible for all losses arising from unauthorised transactions on your Account as result of:

- you acting fraudulently; or
- you intentionally or with gross negligence failing to use TBS and/or PIB in accordance with the Terms (including keeping safe your security or personalised details); or
- you intentionally or with gross negligence failing to notify us of the loss or theft of any security or personalised details in accordance with the IDA Terms.

14.3.4 Unless you have acted fraudulently, you will not be responsible for any losses in respect of an unauthorised transaction:

- after you have notified us of the loss or theft of your security details in accordance with the IDA Terms; or
- if we have failed to provide the facilities we describe in the IDA Terms for you to tell us if your security details have been lost or stolen.

14.3.5 If the Regulations and HM Revenue & Customs guidance prevents us from refunding an unauthorised transaction into your Account, we will pay the refund to you in accordance with your instructions (if you do not tell us how you would like us to pay the refund, we will send you a cheque).

14.4 Abnormal and unforeseen circumstances

We will not be responsible to you if we fail to comply with any of the Terms:

- due to abnormal and unforeseen circumstances beyond our control, the consequences of which would have been unavoidable despite all efforts to the contrary; or
- where our failure to comply is due to our obligations under European or national law.

14.5 Account Aggregation

If you use an account aggregation service, you may be liable for any fraud or mistakes that occur on your accounts as a result of using the service. An account aggregation service allows you to see, on one web page, details of the online accounts you hold with financial institutions. The service may be provided by a financial institution (with whom you hold an account) or through a website not owned by a financial institution.

14.6 Suspension of TBS or PIB

14.6.1 We may, at any time, suspend your use of TBS or PIB if we have reasonable grounds which relate to the security of or the suspected unauthorised or fraudulent use of TBS or PIB.

14.6.2 We will normally give you advance notice (either in writing or by phone or in branch) if we are going to suspend your use of your TBS or PIB. We will tell you why we are taking this action but we will not give you notice or details of the reason for the suspension if this would compromise our reasonable security measures or if it is unlawful to do so. We may occasionally suspend your use of your TBS or PIB without

notifying you where we have been unable to contact you in advance. We may also suspend your use of your TBS or PIB due to national or European legal obligations that apply to us.

14.6.3 You can ask us to lift any suspension of your use of your TBS or PIB by calling us.

14.6.4 To help improve our service and in the interests of security we may monitor and/or record your telephone calls with us. Our recordings are and shall remain our sole property.

14.6.5 The information on our Website is based on our understanding of current legislation and HM Revenue and Customs practice. Both legislation and practice can change and the tax treatment of ISAs may change in the future.

15 General

15.1 If we do not deliver the standard of service you expect, or if you think that we have made a mistake, please let us know. We will then investigate the situation and, if necessary, set about putting matter right as quickly as possible. In addition we will take steps, where appropriate, to prevent a recurrence. Please allow us the first opportunity to answer any concerns to put matters right, however, if you remain dissatisfied and would like further information about our process for resolving complaints, please ask us for our explanatory leaflet "Listening to your Comments".

15.2 This does not affect your right to make a complaint to the Financial Services Ombudsman Service at any time. Further information can be obtained by writing to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR or by email at enquiries@financialombudsman.org.uk or by telephone on 08450 801800.

15.3 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 – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to the current FSCS limit for deposits. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, each depositor would have a separate claim up to the FSCS deposit limit and so the maximum amount that could be claimed in total would be twice the current FSCS deposit limit. The FSCS deposit limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

First Direct and HSBC are both trading names of HSBC Bank plc and customers who hold deposits under both trading names will only be eligible for one claim of up to the FSCS deposit limit in total.

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 www.FSCS.org.uk or call the FSCS on 020 7741 4100 or 0800 678 1100.

16 Governing Law

16.1 The Terms are governed by the laws of England and Wales as are our dealings with you. You and we submit to the non-exclusive jurisdiction of the courts of England and Wales.

The Terms are in English and all communications we send to you will be in English.

HSBC Bank plc is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority.

Further information can be obtained from the Financial Services Authority by writing to the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS or telephoning them on 0845 606 1234.

hsbc.co.uk

Issued by HSBC Bank plc

Customer Information: PO Box 757, Hemel Hempstead, Hertfordshire HP2 4SS
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