

Stockmarket Linked Savings Account and Stockmarket Linked Savings Account ISA

Terms and Conditions



The world's local bank

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Important Information

These are the terms and conditions for your Stockmarket Linked Savings Account and/or Stockmarket Linked Savings Account Individual Savings Account (ISA) (Terms). Please read them carefully and let us know if you have any queries.

The Terms are also the framework contract (clauses 6, 7, 9 to 12 and 14 to 28 form this framework contract) for payment services on your Account.

In these Terms:

Account means a Stockmarket Linked Savings Account (which may be a Stockmarket Linked Savings Account ISA), opened by the Account Manager in accordance with your Application Form, these Terms, the Rules and, in the case of the Stockmarket Linked Savings Account ISA, the Regulations;

Account Manager, we, us, our or ourselves means HSBC Trust Company (UK) Limited which is authorised and regulated by the FSA;

Administration Office means Frobisher House, Nelson Gate, Commercial Road, Southampton SO15 9DF or such other address notified to you from time to time;

Application Form means the properly completed application form used to open the Account or such other method of application as is acceptable to us;

Associated Company means any company in the same group as us or a subsidiary of any such holding company as such terms are defined in Sections 1159 and 1260 of the Companies Act 2006 as amended or replaced from time to time;

BACS Payment means a payment made via the Bank Automated Clearing System (BACS) within the UK to an account you hold with another bank either solely or jointly with another person, such account having been verified by us;

Base Rate means the base lending rate published by the Bank of England which varies from time to time;

Branch(es) means branches of HSBC Bank plc in the United Kingdom;

Business Day(s) means Monday to Friday except public holidays;

Cancellation Period means the period during which you have the right to cancel your contract with us. This is within 14 calendar days after receiving your acknowledgement letter which includes the reminder of your right to cancel;

Client Money Account means a protected account operated under the rules contained within Chapter 7 of the FSA's Client Assets Sourcebook as amended or replaced from time to time;

Closing Level means the Index closing level as set out in the Rate Insert;

Dealing Date means a Tuesday or, where a Tuesday is not a Business Day, the next Business Day, when the Deposit Taker executes withdrawal or transfer instructions from us;

Deposit means the amount of your Payment and any interest which is placed into the Fixed Term Deposit;

Deposit Taker means HSBC Bank plc, an Associated Company;

Early Termination Date means any date on which the Account is closed (or, in the case of a Stockmarket Linked Savings Account ISA, transferred to another ISA manager) prior to the Maturity Date;

Effective Date means the Business Day upon which we accept both your Application Form and your initial Payment;

Fixed Term means the term of your Fixed Term Deposit as stated in the Rate Insert;

Fixed Term Deposit means a deposit made on your behalf with the Deposit Taker, commencing on the Strike Date and ending on the Maturity Date, that is designed to provide interest at the end of the Fixed Term. Such interest will be calculated as specified in the Rate Insert;

FSA means the Financial Services Authority or its successor organisation;

HSBC Group means HSBC Holdings plc, its subsidiaries, associated and affiliated companies;

HSBC Net Payment means a sterling payment within the UK to an account you hold with another bank, either solely or jointly with another person, such account having been verified by us;

Index means the stockmarket index or basket of stockmarket indices as stated in the Rate Insert;

Internal Transfer means sterling payments between us and any UK accounts you have with HSBC Bank plc (including First Direct) in the same name, including joint accounts which you hold with someone else;

ISA means an Individual Savings Account in accordance with the Regulations;

Market Value Adjustment means an adjustment to the value of your Account to reflect the current open market value price at a particular date. Factors that are taken into account when

calculating the Market Value Adjustment are:

- fluctuations in the level of the Index to date since the Starting Level;
- the prevailing interest rates; and
- market volatility.

If the Market Value Adjustment is positive, it will increase the value of your Account. This increase is interest for tax purposes. If the Market Value Adjustment is negative it will reduce the value of your Account. Any valuations that you receive throughout the Fixed Term (via a statement, verbally or the internet) will include any applicable Market Value Adjustment and represent the value of your Account had you withdrawn on that date;

Maturity Date means the end of the Fixed Term, as stated in the Rate Insert;

Payment means any amount received from you or from an ISA manager on your behalf to credit your Account;

Rate Insert means the rate insert applicable to your Account;

Regulations means the Individual Savings Account Regulations 1998, as amended or replaced from time to time and any other applicable statutes and regulations;

Rules means the rules of the FSA that apply to your Account;

Starting Level is the Index starting level set out in the Rate Insert;

Stockmarket Linked Savings Account ISA means an Account that is designated as a cash ISA;

Strike Date means the date on which the Fixed Term commences, as stated in the Rate Insert;

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

Terms means these terms and conditions, and the terms of the Application Form, the Rate Insert and Key Features Document;

you, your means the person or persons whose name(s), address(es) and other particulars that appear on the Application Form.

Please read the Terms and keep them in a safe place. You can ask for a copy of the Terms at any time.

Disabled Customers

We offer many services for our disabled customers. For more information call us on the number set out in the general information section within these Terms.

Contact Information

To contact us, please call using the applicable number in the following table. Telephone calls and Textphone calls will be put through to our Customer Service Centre. To help us continually improve our services and in the interests of security we may monitor and/or record your communications with us.

From the UK
0845 745 6123 (8am to 6pm) Monday to Friday (excluding public holidays)
From abroad
+44 1226 260 872 (8am to 6pm) Monday to Friday (excluding public holidays)
Textphone from the UK
0845 766 0391 (8am to 6pm) Monday to Friday (excluding public holidays)

1. Commencement

These Terms set out the detail of the agreement between you and us and, where applicable, the Deposit Taker. The agreement will come into force on the Effective Date. These Terms only apply to you, us and the Deposit Taker.

2. Appointment

You appoint us as the Account Manager to manage your Account in accordance with these Terms, your Application Form, the Rules, and in the case of an ISA, the Regulations. Where applicable, you authorise us to:

- 2.1 open a Fixed Term Deposit on your behalf and
- 2.2 comply with any legislation, regulations or Government publication which may affect the Account.

3. Delegation

We may delegate any of our functions or responsibilities under these Terms to any person, provided that before we do so we satisfy ourselves that such a person is competent to carry out those functions and responsibilities. We may appoint an Associated Company in our place to manage the Account in accordance with these Terms.

4. Joint Accounts

4.1 If the Account is in the name of more than one person, we must receive instructions signed by both of you.

4.2 Please also see the joint Account provisions in clause 29 for termination on death.

4.3 If this agreement is entered into by more than one person, the liability and obligations of any such person(s) in respect of any transactions in the Account will be joint and several.

5. Corporate and Trustee Account Holders

5.1 If you are a company (including a corporate trustee) by making an application to open an Account, you confirm that:

5.1.1 you are a company duly incorporated and validly existing in the United Kingdom;

5.1.2 you have the necessary corporate power to enter into the contract;

5.1.3 you have duly authorised, executed and delivered the Application Form in respect of your Payment;

5.1.4 the Terms constitute your valid and legally binding obligations, enforceable under English Law; and

5.1.5 by entering into the contract you will not violate any of your constitutional documents.

You agree to provide us with any documents or information that we may require in support of the above confirmations, including, for example, board resolutions and certificates of incorporation.

5.2 If you are acting as a trustee, by making an application to open an Account you confirm that:

5.2.1 you have been duly appointed as trustee of the relevant trust;

5.2.2 you have all the necessary power, authority and consents to enter into the contract;

5.2.3 in respect of your Account, you will comply with all internal management procedures of the trust and any other procedural requirement; and

5.2.4 by entering into the contract you will not breach the terms of the relevant constitutional trust document(s).

You agree to provide us with any documents or information that we may require in support of the above confirmations. We will hold the trust deed for verification of the nature and purpose of the trust and the names of the trustees only.

6. Communications

6.1 All communications relating to your Account must be sent to us in writing at our Administration Office, unless we advise otherwise within these Terms. We will treat any instructions you give us by post as received by us when we open your letter.

6.2 You must promptly advise us of any change in any of the information we hold in respect of your Account including your name, telephone number, email details (if applicable) or address.

6.3 We will send communications relating to your Account to the most recent address that you have given us. You will be deemed to have received them by the third Business Day after posting.

6.4 In the case of a Stockmarket Linked Savings Account ISA:

6.4.1 We will notify you if, by reason of any failure to satisfy the Regulations, your Account (or any part of it) has or will become void or otherwise lose any tax relief as a result of an invalid subscription having been made. As soon as practicable thereafter we shall write to you with details of any corrective action taken or details of any options available to you. Any action taken will be subject to such deductions (if any) as we may require to meet tax or other liabilities.

6.4.2 You must tell us immediately if you cease to be eligible under the Regulations to hold your Account.

6.5 If you are acting as trustee, you will keep us informed in writing of any change in your powers as trustee. We assume, unless advised otherwise, that any action we take in accordance with the Terms does not conflict with the content of any relevant trust deed or any limitation imposed upon you by law, contract, relevant trust deed or otherwise.

6.6 When we tell you about a change personally, we will do this by post.

6.7 You must take all reasonable precautions to keep safe and prevent fraudulent use of any Account details. These precautions include but are not limited to the following, as applicable:

6.7.1 never writing down or otherwise recording your Account details in a way that can be understood by someone else, unless in correspondence with us;

6.7.2 not allowing anyone else to have or use your Account details and not disclosing them to anyone;

6.7.3 taking care to ensure that no one sees your Account details; and

6.7.4 keeping information about your Account containing personal details (such as statements) safe and disposing of them safely. People who commit fraud use many methods, such as searching in dustbins, to obtain this type of information. You should take simple precautions such as shredding paper containing such information.

7. Cancellation

7.1 Aside from anything else in this agreement, you have the legal right to cancel your contract with us within 14 calendar days after you receive an acknowledgement letter which includes the reminder of your right to cancel. If you exercise your right to cancel during the Cancellation Period, your Payment will be returned to you in full, together with any interest accrued.

7.2 Subject to clause 14.1.2 If you withdraw your Payment after the Cancellation Period but before the Strike Date, your Payment will be returned to you, together with any interest accrued.

7.3 If you withdraw your Payment after the Cancellation Period but between the Strike Date and the Maturity Date, your Payment will be returned to you, together with any interest accrued. A Market Value Adjustment, which may be negative, will be applied.

7.4 In the case of a Payment made by transferring an existing ISA to a Stockmarket Linked Savings Account ISA, if you exercise your right to cancel, we will hold your Payment in your Account, pending your further instructions. If your further instructions are not received within 30 Business Days, your initial Payment, together with any interest accrued, will be returned to you. This will result in a loss of the tax benefits applicable to holding your Payment in an ISA.

7.5 If you do not cancel, the risks and charges as set out in your product literature will apply and you will be subject to the Terms. If you later withdraw your Payment before the Maturity Date, you may get back less than your original Payment.

8. Custody

8.1 You will be, and will remain, the beneficial owner of the money in your Account unless, in the case of an Account which is not a Stockmarket Linked Savings Account ISA, you are acting in the capacity of trustee. The money in your Account may be held collectively with that of other Account holders.

8.2 In the case of a Stockmarket Linked Savings Account ISA, you may not use your Account as security for a loan although it may be used as a means of funding the repayment of a loan.

9. Different types of Payment which can be made into your Account

9.1 If authorised to do so by you on your Application Form, the Account Manager can collect funds by Internal Transfer.

9.2 We will accept sterling cheques drawn on a UK bank account in your name or, in the case of an ISA transfer, in the name of another ISA manager.

10. ISA Transfers In

10.1 You can transfer cash ISA subscriptions from previous Tax Years from us or another ISA manager to your Account (subject to the minimum and maximum Payment amounts mentioned in the Rate Insert). Such transfers must be made in cash.

However, please note we are not able to accept:

- new ISA subscriptions for the current Tax Year;
- transfer of subscriptions you have already made in the current Tax Year to another ISA; and
- the transfer of any stocks and shares ISA.

Please note that your existing ISA manager may charge you for the transfer.

11. Operation of the Account

11.1 The Account is subject to minimum and maximum Payment amounts as stated in the Rate Insert.

11.2 We reserve the right to refuse a Payment or decline to open an Account. We will always endeavour to resolve any issues with your application and/or Payment with you and, if applicable, your financial adviser before rejecting your application. If we reject your application, and you have submitted payment to open an account by cheque, your cheque will be sent back to you by us within two Business Days of our original receipt of the cheque. This rejection does not mean that you are prevented from reapplying.

11.3 From the Effective Date, your Payment will be held in a Client Money Account until the Strike Date. Interest shall be paid on any monies in the Client Money Account at the rate specified in the Rate Insert.

11.4 Pre-Strike Date interest will be credited in two separate amounts as detailed in the Rate Insert. On the Strike Date, your Deposit will be moved to the Fixed Term Deposit.

11.5 Any interest paid on the second interest payment date will remain in the Client Money Account, until withdrawal or, in the case of a Stockmarket Linked Savings Account ISA, until transfer to another ISA manager.

11.6 After the second interest payment date, for amounts held in the Client Money Account during the Fixed Term and after the Maturity Date:

11.6.1 Accounts held as a Stockmarket Linked Savings Account ISA:

11.6.1.1 interest will be paid at the prevailing interest rate paid on £9,001 in the Deposit Taker's Variable Rate Cash ISA ('the HSBC Variable Rate Cash ISA'). In the event that the Deposit Taker varies their HSBC Variable Rate Cash ISA interest

rate, we will give you at least two months' advance personal notice by post.

11.6.1.2 The Deposit Taker may vary their HSBC Variable Rate Cash ISA interest rates and/or any interest rate bandings for one or more of the following valid reasons:

- If the change is favourable to you.
- Following, or in anticipation of, and to reflect a change in relevant law or regulation or to reflect a change in industry guidance or code of practice or good banking practice.
- To reflect the making of a relevant recommendation, requirement or decision of any court, ombudsman, regulator or similar body.
- To reflect the costs or consequences of any event beyond the Deposit Taker's control that may impact the Deposit Taker's provision of accounts, services or facilities to you.
- To make the Terms clearer.
- To reflect any change in the Deposit Taker's systems and procedures, including any change arising from any reorganisation of the Deposit Taker's business as a result of it being acquired by, or by the Deposit Taker acquiring, another bank or organisation.
- To reflect any change in the Base Rate, or any rate that replaces it.
- To reflect changes or anticipated changes in costs associated with relevant technology, the costs the Deposit Taker pays to others in respect of the product in question, inflation and/or in the Deposit Taker's costs of providing accounts, services or facilities.
- To reflect any changes or anticipated changes in money market interest rates or the cost to the Deposit Taker of money the Deposit Taker lends.
- To improve the services the Deposit Taker provides.
- To reflect the Deposit Taker's internal policies on competitiveness, market share and/or the profitability of the Deposit Taker's business as a whole, where the Deposit Taker is not acting dishonestly, for an improper purpose, in a manner which inappropriately discriminates against a particular customer or as an unreasonable financial institution would.

11.6.2 For Accounts held outside an ISA, interest will be paid at a rate of 2.5% gross per annum below Base Rate with a minimum of zero. Please note that we will not notify you personally of the change to the Base Rate.

11.7 Interest will cease to be accrued in respect of the cash within your Account on the day that your instruction is processed in response to your request under clauses 14 and 15.

11.8 There may be further small interest payments applied to the Client Money Account after the Strike Date. Such interest will be credited to the Client Money Account in March, June, September and December. These amounts will remain in the Client Money Account until withdrawal or, in the case of the Stockmarket Linked Savings Account ISA, transfer to another ISA manager.

12. Fixed Term Return

12.1 If you keep your Account to the end of the Fixed Term, your Deposit (less any withdrawals) will be paid back into the Client Money Account within two Business Days of the Maturity Date, together with any interest due on the Fixed Term Deposit. The amount of this interest will be linked to the performance of the Index as set out in the Rate Insert. This balance will remain in the Client Money Account pending your further instructions.

12.2 Payments out after the end of the Fixed Term will be in sterling and normally be made by cheque in your favour, by Internal Transfer, by HSBC Net Payment, by BACS or, in the case of a Stockmarket Linked Savings Account ISA transfer, by cheque to another ISA manager.

13. Tax on Interest

13.1 In the case of a Stockmarket Linked Savings Account ISA, interest will be paid gross.

13.2 In the case of a Stockmarket Linked Savings Account held outside of an ISA, we will pay you interest after deduction of tax at the basic rate of income tax (currently 20%) unless you have provided us with a valid and completed HM Revenue and Customs Form R85 or are eligible to receive gross interest and we have verified your status. Please note we do not accept HM Revenue and Customs Form R105 declarations for non UK residents.

13.3 For joint Accounts, if all parties are not eligible to receive interest gross, we will pay the interest after the deduction of tax at the basic rate of income tax. The eligible party will then have to contact HM Revenue and Customs to claim back the tax deducted.

14. Early Termination and Withdrawal

14.1 Before the Strike Date

14.1.1 Full withdrawals (but not partial withdrawals) from your Account are permitted by writing to us at our Administration Office.

14.1.2 Provided your instructions are received at least three Business Days before the Strike Date, we will pay you the full value of your Payment within three Business Days following receipt of

your instructions. Where your instructions are not received at least three Business Days before the Strike Date, we will, subject to your cancellation rights set out in clause 7, pay the full value of your Payment less any Market Value Adjustment applicable within three Business Days following receipt of your instructions. Your Account will then be closed.

14.1.3 In the case of a Stockmarket Linked Savings Account ISA, subject to you giving us a minimum of five Business Days notice prior to the Strike Date, you can stipulate an alternative time period within which we will carry out your instructions.

14.1.4 Withdrawals can be paid to you by cheque, Internal Transfer or by HSBC Net Payment where you state in writing, the method by which you wish to receive your withdrawal payment and provide us with the information required to make a withdrawal as set out in clause 14.4. Where no payment method is specified in your written request your withdrawal payment will be made by the same method in which payment was received from you to open your Account.

14.2 During the Fixed Term

14.2.1 Full and partial withdrawals are permitted (subject to any minimum balance requirements as stated in the Key Features Document).

14.2.2 The cut-off time for receipt of your written instruction at our Administration Office is 16:00. Any written instructions received after 16:00 will be treated by us as received on the following Business Day. On receipt of your written instruction at our Administration Office, we will give the instruction to the Deposit Taker to withdraw the amount specified by you from your Fixed Term Deposit on the next Dealing Date.

14.2.3 The money withdrawn will then be transferred to the Client Money Account within two Business Days.

14.2.4 We will pay the withdrawal amount to you by cheque, by Internal Transfer, BACS Payment or HSBC Net Payment to your nominated account within three Business Days of the transfer to the Client Money Account. Where applicable, your Account will then be closed.

14.2.5 In the case of a Stockmarket Linked Savings Account ISA, subject to you giving us 21 days' notice, you can stipulate an alternative time period within which we will carry out your instructions.

14.2.6 If you close your Account during the Fixed Term, we will transfer to the Client Money Account the amount of your Fixed Term Deposit (less any withdrawals, after first allowing for any Market Value Adjustment, which may be negative). You should be aware that the effect of the Market Value Adjustment may be significant and the amount you receive may be less than the amount of your original Payment. Please see the Rate Insert for full details.

14.3 After the Maturity Date

14.3.1 Full and partial withdrawals are permitted (subject to any minimum balance requirements as stated in the Key Features Document).

14.3.2 On receipt of your written instruction at our Administration Office, we will pay the withdrawal amount specified by you by cheque, BACS Payment or Internal Transfer within three Business Days following receipt of your instructions. Where applicable, your Account will then be closed.

14.3.3 In the case of a Stockmarket Linked Savings Account ISA, subject to you giving us a minimum of nine Business Days' notice, you can stipulate an alternative time period within which we will carry out your instructions.

Information you need to provide to make a withdrawal

14.4 You must provide us with all of the following details to enable us to:

14.4.1 make an Internal Transfer, BACS Payment or HSBC Net Payment:

14.4.1.1 your Account reference; and

14.4.1.2 the sort code and account number for the recipient account.

14.4.2 issue cheques:

14.4.2.1 your Account reference.

14.4.2.2 in the case of a partial or full transfer of your Stockmarket Linked Savings Account ISA, the name of the ISA manager.

14.5 You can make withdrawals by writing to us at our Administration Office. If you hold a joint Account we must receive instructions signed by both joint Account holders.

14.6 Where you instruct us to make a payment by post, you must set out all the details listed in clause 14.4 and any other information we ask you to provide to make the payment and you must sign the letter (your signature must match the signature we hold on our records). This will be your agreement for us to make the payment. We will make the payment once we have checked your instructions.

14.7 In respect of payments by HSBC Net Payment, these will only be processed where

we can verify the account is held in your name and that the details of this account are correct. This means that HSBC Net Payments may take longer than Internal Transfers. Where we are unable to verify the account, payments will be made by cheque, payable to you to the address you have registered with us.

14.8 If you are a corporate or trustee Account holder we must receive instructions that are signed by all of the signatories specified on your original Application Form. Where signatories have changed, you must provide us with official evidence, such as a company mandate, verifying that we can accept instructions from alternative signatories.

14.9 Any withdrawal instructions can be withdrawn or cancelled during the Fixed Term by sending written instructions to us. We would need to receive your written instructions at least one Business Day prior to the relevant Dealing Date. Withdrawal instructions cannot be cancelled before the Strike Date or after the Maturity Date.

15. ISA Transfers Out

15.1 Full and partial transfers of a Stockmarket Linked Savings Account ISA to another ISA manager are permitted (subject to any minimum balance as stated in the Rate Insert) however partial transfers are not permitted prior to the Strike Date. You can give us your instructions by writing to us at our Administration Office.

15.2 On receipt of your written instruction at our Administration Office, and within any time limit stipulated by you (subject to a minimum period of 21 days), we will transfer all or part of your Stockmarket Linked Savings Account ISA, as requested by you with, where appropriate, all rights and obligations, to the new ISA manager provided they agree to the transfer. If you do not stipulate a time, our Administration Office will normally carry out your instructions within 21 days of receipt of your written instructions. We will make the transfer by cheque. Whilst we will normally carry out the transfer within the time you stipulate, occasionally it may take longer to complete due to circumstances beyond our control.

15.3 When we receive your request to transfer your Stockmarket Linked Savings Account ISA to another ISA during the Fixed Term, we will transfer your Deposit (less any withdrawals) to the Client Money Account. A Market Value Adjustment, which may be negative, will be applied to your Account. The value of your ISA will then be transferred from the Client Money Account to your new ISA manager.

15.4 You should be aware that the effect of the Market Value Adjustment may be significant and the amount you receive may be less than the amount of your original Payment. Please see the Rate Insert.

16. Charges for enquiries

16.1 Any applicable charges within the Account have been built into the interest rates stated in the Rate Insert. No further charges will be applied, except as set out in this clause below.

16.2 Subject to the Regulations and Rules, we will be entitled to charge you or, deduct from your Account, £15 for providing a duplicate of information that has previously been supplied to you.

16.3 You will be liable to pay any applicable Value Added Tax in respect of any charges or fees payable by you under the Account.

16.4 If there are insufficient funds in your Account to pay any charges which become due to us, we shall be entitled to deduct these from any future interest to realise an amount necessary to pay such charges.

17. Cheques

17.1 Clearing your Payment cheques

17.1.1 Subject to clause 11.2, your Payment will open your Account.

If your Payment is paid by cheque, it will normally take two Business Days following receipt by us to be added to your Account.

17.1.2 Please refer to clause 14 for details of when you can instruct us to make a withdrawal from your Account. We may extend the time periods set out in clause 14 if there are actual or potential credit or fraud prevention reasons to do so. When we refer to the day you pay a cheque into your Account below, we mean the first day that we deal with and process the cheque. The cheque amount will be included in your Payment before you can withdraw the money.

17.1.3 We treat cheques as being cleared for interest calculation purposes (if applicable) two Business Days after they have been paid in, for example, on Wednesday if paid in on a Monday.

17.2 Cheques returned unpaid and paying in cheques

17.2.1 When a cheque is returned unpaid, it will usually happen three or four Business Days after the cheque has been paid into the Client Money Account, but it could be later (see clauses 17.2.3 to 17.2.5).

17.2.2 If a cheque paid into the Client Money Account is returned unpaid, the amount of the cheque will be deducted from Client Money Account.

17.2.3 All references in these Terms to cheques apply to sterling cheques drawn on branches of English, Scottish, Welsh or Northern Ireland banks.

17.2.4 If a cheque paid into the Client Money Account is returned to us unpaid, we will not debit the Client Money Account beyond the sixth Business Day after it was accepted by us. Because we process overnight, the debit to the Client Money Account could appear up to 9am on the seventh Business Day. For example, if we pay a cheque into the Client Money Account on Monday, the Client Money Account will not be debited after 9.00am on Wednesday the following week.

17.2.5 A cheque you pay in may be returned and the amount of the cheque deducted from the Client Money Account more than six Business Days after the date we accepted it:

- where you are, or we reasonably suspect you are, knowingly involved in a fraud concerning the cheque; or
- if you have given your express consent.

17.2.6 If a cheque paid into the Client Money Account is returned to us unpaid, we will normally update our records within 14 Business Days, although this may take longer.

17.3 We can only accept a cheque drawn from an account in your name or, in the case of an ISA, another ISA manager. The only exception to this is a joint Account. We will accept a cheque drawn from an account held in the name of either one of you, subject to further verification.

18. Statements

18.1 Regular statements will be sent to you within five weeks of 5 April and 5 October each year. You will also receive a report which will provide information and commentary on the Account and our other products.

18.2 The statement will show:

18.2.1 the value of your Account at the statement valuation point including any cash held in the Client Money Account and the value of your Deposit including any applicable Market Value Adjustment;

18.2.2 all Account transactions made since the Effective Date, or the previous valuation point, including your original Payment in the case of your first statement and any withdrawals;

18.2.3 any interest paid in respect of cash held in the Client Money Account and/or the Fixed Term Deposit.

18.3 The value of your Fixed Term Deposit will be based on the amount deposited in the Fixed Term Deposit allowing for the Market Value Adjustment, which may be negative, but will not include any measure of performance against any Index.

18.4 Please tell us as soon as you can if any statements appear incorrect.

18.5 If an incorrect entry on your Account is identified we will correct it. If we do this on the same day the incorrect entry was made the details may not show on your statement.

18.6 If you ask, we will send you additional statements (including copies of those previously supplied). We may charge for additional statements as set out in clause 16.2.

19. Fraud prevention

19.1 We carry out certain checks on transactions on your Account as part of our fraud prevention measures. We may contact you by post or telephone to say there may be suspicious activity on your Account, or we may leave a message to ask that you call us. If we ask you, you must contact us as soon as possible.

19.2 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. If we are not satisfied that a payment in or out of your Account is lawful, we may refuse to deal with it.

19.3 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 19.2 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.

19.4 If any of your Account or security details are lost or stolen, or you suspect that someone has used or tried to use them, you must tell us without delay by calling us on the number set out in the table above clause one. When lines are closed, please email us at reportit@hsbc.com without delay and we will block access to your Account.

20. Responsibilities

20.1 Making payments

20.1.1 We will make payments to you based on the information we require you to provide to us. This may include your sort code and the account number. In the case of a Stockmarket Linked Savings Account ISA transfer to another ISA manager, we will make a payment on the basis of the information they provide to us.

20.1.2 If you, or the ISA manager, provide us with incorrect information, we will not be responsible if the 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 payment.

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

20.1.4 If you have instructed us to make a payment, we are responsible for it being made correctly unless we can prove to you, or your bank (as appropriate), that the payment was received by your bank within the timescales for executing payments set out in clause 14. Where we can prove this, your bank will be responsible to you for making available the payment and crediting your account as appropriate.

20.1.5 If a payment has been made incorrectly by us and we fail to prove the payment you authorised was received by your bank as required by clause 20.1.4, 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, and 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.

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

20.2 Unauthorised transactions

You must read your statements carefully on receipt. To help us prevent fraud, you must tell us immediately by calling us or by using the contact details in 19.4, if you do not recognise any transaction shown on your statement or if you think any payment you have authorised has been executed incorrectly. If you do not tell us promptly you may not be entitled to have any errors corrected.

20.3 Liability for unauthorised transactions

20.3.1 Subject to clauses 20.3.2 to 20.3.5, we will be responsible for any unauthorised transactions that you tell us about in accordance with clause 19.4 (if we suspect fraud or that you have been grossly negligent, we will investigate the transaction and will only be responsible if/when we have concluded that there has been no fraud and you have not been grossly negligent). 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.

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

20.3.3 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 notify us in accordance with clause 19.4 of the loss or theft of any security or personalised details.

20.3.4 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 clause 19.4, or
- if we have failed to provide the facilities we describe in clause 19.4 for you to tell us if your security details have been lost or stolen.

20.3.5 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.

20.4 Payments into your Account

20.4.1 We can only accept responsibility for payments into your Account after we have received and checked them.

20.4.2 If a payment is fraudulently or mistakenly paid into your Account, the amount of the payment may subsequently be deducted. This may happen even if the funds are included in the balance of your Account, you have used them to make a payment, have transferred or withdrawn all or part of them.

21. Changing the Terms – general information

We may change interest rates and other Terms in accordance with clauses 22 to 27.

22. Changing the Terms – Interest Rates – Client Money Account

22.1 We may change interest rates applied to money held in the Client Money Account in accordance with clause 11.6 and 22.2.

22.2 We will notify you personally of any change to the interest rate applied to money you have in the Client Money Account at least two months in advance of any change.

23. Changing the Terms – Framework Contract

We may make changes to clauses 6, 7, 9 to 12 and 14 to 28 (the framework contract), including changes to the basis on which we charge for operating/providing product(s)/service(s), by giving you at least two months' advance personal notice.

24. Changing the Terms – Other Terms

24.1 We may make any other changes to the Terms, including changes to the basis on which we operate or provide product(s)/service(s) in the following ways:

- 24.1.1** if the change is favourable to you, by, within 30 days of the change, telling you personally; and
- 24.1.2** if the change is not favourable to you, by giving you at least 30 days' advance personal notice.

25. Reasons for making changes

Subject to the Rules and/or in the case of a Stockmarket Linked Savings Account ISA, the Regulations, we may make any change to the Terms under clauses 21 to 24 for all or any of the reasons set out in this clause that apply:

- if the change is favourable to you.
- following, or in anticipation of, and to reflect

a change in relevant law or regulation or to reflect a change in industry guidance or code of practice or good banking practice.

- to reflect the making of a relevant recommendation, requirement or decision of any court, ombudsman, regulator or similar body.
- to reflect the costs or consequences of any event beyond our control that may impact our provision of accounts, services or facilities to you.
- to make the Terms clearer.
- to reflect any change in our systems and procedures, including any change arising from any reorganisation of our business as a result of it being acquired by, or by our acquiring, another bank or organisation.
- to reflect any change in the Base Rate, or any rate that replaces it, or the rate set by any bank that takes over responsibility for setting such a rate.
- 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.
- to improve the services we provide.
- to reflect our internal policies on competitiveness, market share and/or the profitability of our business as a whole, 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.

No change will be made to the method of calculating interest on the Fixed Term Deposit.

26. Other reasons for making changes to the extent the Terms do not apply for a fixed term, i.e. after the Maturity Date

To the extent the Terms do not apply for a fixed term, ie, after the Maturity Date, we may also make a change to the Terms under clauses 21 to 25 for any other valid reason that applies and that is not described in clause 23. We will always contact you personally prior to such change.

27. What you can do when we tell you about a change

When we give you advance notice of a change we intend to make in accordance with clauses 21 to 25, before the change takes effect, you may end this contract and close your Account in accordance with clause 14. There will be no charge for this. However, the closure of your Account during the Fixed Term will be treated as an early termination (please refer to clause 14).

In particular, you should be aware that the Market Value Adjustment will apply to your Account and this may be negative. If you do not tell us that you want to end this contract, and if we do not hear from you before the date each change is to take effect, the change will take effect automatically.

28. Our ending this contract and closing your Account

28.1 We can end this contract with you and close your Account immediately in the following situations. The result of such closure during the Fixed Term will be the same as if you have made an early termination:

28.1.1 if you have significantly broken any of the Terms;

28.1.2 there has been or we suspect there has been fraud involving any of your accounts with us or any transactions on any of your accounts;

28.1.3 if there has been or we suspect there has been suspicious activity on your Account or on any of your accounts;

28.1.4 if we have reasonable grounds for believing you have committed or are about to commit a crime in connection with your Account or on any of your accounts; or

28.1.5 if you have not satisfied any anti-money laundering requirements.

28.2 We will inform you in writing immediately after your Account has been closed under clause 28.1.

29. Termination on Death

29.1 Joint Accounts: If you have a joint Account, in the event of death of one of the parties before the Maturity Date, and upon us receiving satisfactory evidence of death, we will transfer the Account into the survivor's sole name subject to any rights which we or a third party may have. The Account will continue to be subject to these Terms.

29.2 Sole Accounts: In the event of your death before the Maturity Date, subject to our receiving satisfactory evidence of death and proof of title from your personal representatives (including any anti-money laundering checks as may be necessary), we may either:

- close the Account and pay the proceeds to your personal representatives (the result of such closure during the Fixed Term will be the same as early termination), or

- transfer the Account into the name(s) of the personal representatives or any beneficiaries nominated by the personal representatives. The personal representatives can instruct us to transfer the Account as a whole or the

Account can be split between two or more of the individuals mentioned above. The personal representatives or nominated beneficiaries will be subject to these Terms.

Please note that a HM Revenue and Customs Form R85 is no longer valid after death. In the case of a Stockmarket Linked Savings Account ISA, in the event of your death, any exemption from tax will end immediately. Any tax relief given on any interest on your Account after you die will be repaid to HM Revenue and Customs.

30. Bankruptcy

In the event that a petition for a bankruptcy order is presented against you then you agree that we may refuse to act on any instructions given by you or anyone else to make any payment(s) out of your Account unless you have previously obtained an appropriate order from the Court.

31. General

31.1 You may not transfer any of your rights and obligations relating to your Account.

31.2 Nothing in these Terms will reduce your statutory rights relating to misdescribed products or services and the fairness of the terms on which they are offered. For further information about your statutory rights contact your local authority, Trading Standards Department or Citizens Advice Bureau.

32. Governing Law

The Terms are governed by the laws of England and Wales as are our dealings with you until the time your Account is opened. You and we submit to the non-exclusive jurisdiction of the courts of England and Wales.

33. Your Information

33.1 Confidentiality

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

33.2 Credit Reference Agencies

We may share information with credit reference agencies (CRAs) to verify your identity and suitability for an Account, using information from the Electoral Register and other public sources.

33.3 Crime Prevention

33.3.1 To prevent crime, verify your identity and to meet our legal obligations, 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, law enforcement and other organisations.

33.3.2 If you give us false or inaccurate information and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering.

33.3.3 Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:

- Checking details on applications for credit and credit related or other facilities
- Managing credit and credit related accounts or facilities
- Recovering debt
- Checking details on proposals and claims for all types of insurance
- Checking details of job applicants and employees

33.3.4 We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

33.3.5 Please contact the fraud prevention agencies directly if you require a copy of any information they may hold about you.

33.4 Data Processing

33.4.1 The HSBC Group may use and share relevant information about you, your transactions and your relationships with the HSBC Group for customer service, market research, insurance, audit 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.

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

33.4.3 Whether it is processed in the UK or overseas, in accordance with data protection legislation, your information will be protected, by a strict code of secrecy and security which

all members of the HSBC Group, their staff and any third parties are subject to.

33.4.4 Information may also be processed for the purposes of complying with applicable laws, including anti-money laundering and anti-terrorism laws and regulations and fighting crime and terrorism. This may require the disclosure of information to a UK or overseas governmental or regulatory authorities or to any other person we reasonably think necessary for these purposes.

33.5 Information about Products, Services and Promotions

33.5.1 If you agree, the HSBC Group may use and share relevant information about you, your transactions and your relationships with the HSBC Group, to give you information about products, services (including mortgages) and promotions, available from HSBC Group companies and those of selected third parties which may interest you by post, telephone, electronic and other means. The HSBC Group may also exchange, analyse and use relevant information about you in the way described above to ensure that promotional content displayed to you on screen when you log on to HSBC Group websites.

33.6 Miscellaneous

33.6.1 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 £10.00 per request from each individual.

33.6.2 To ensure that we carry out your instructions accurately, to help us to improve our service and in the interests of security, we may monitor and/or record your communications with us. Any recordings remain our sole property.

34. No third party will have any rights under the Terms.

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

General Information

HSBC Bank plc is 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 £50,000. 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, the maximum amount that could be claimed would be £50,000 each making a total of £100,000. The £50,000 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. HSBC and first direct 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 £50,000 in total.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.FSCS.org.uk or call 020 7892 7300 or 0800 678 1100.

HSBC Bank plc is incorporated in England and Wales and is established at 8 Canada Square, London E14 5HQ which is its registered office. HSBC Bank plc is regulated by the Financial Services Authority and is registered in the Financial Services Authority Register with the registration number 114216. In the UK, HSBC Bank plc is also licensed by the Office of Fair Trading to carry on a consumer credit business, licence number 6343. HSBC Bank plc's registered VAT number is GB365684514 and its company register number is 14259.

HSBC Trust Company (UK) Limited is authorised and regulated by the Financial Services Authority and is entered on the Financial Services Authority register as number 119297. You can check this on the Financial Services Authority register www.fsa.gov.uk/register/home.do. Its main business is the provision of trustee services and administering investments.

Disabled Customers

We offer many services for our disabled customers. For more information call us on 0845 404 404 (textphone 1800 108457 125 563). Lines are open 8am to 10pm every day (excluding Christmas Day, Boxing Day and New Year's Day) in the UK. To help us continually improve our service and in the interests of security we may monitor and/or record your telephone calls.

How to complain

If you are unhappy in any way with our products and services then please let us know. On receipt of your complaint, we will send you a copy of our leaflet 'Listening to your comments' which explains how we will handle your complaint. A written copy of our complaint procedures is available on request.

If we cannot resolve your complaint in the first instance, you can refer it to:

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London E14 9SR

Telephone: **0845 080 1800**

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 ombudsman will not affect your legal rights.

hsbc.co.uk

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