

Part 1 - Cash Lifetime ISA Key Product Information

A Lifetime ISA is a special type of ISA product which aims to help you save to buy your first home or towards retirement. We offer a cash Lifetime ISA only, not a stocks and shares Lifetime ISA.

This key product information sheet provides details of this account and any special conditions that apply, so please read it carefully together with the Lifetime ISA Key Features Document, Lifetime ISA Terms and Conditions (which are set out in Part 2) and the Savings Terms and Conditions to be sure that this is the right account for you. If you don't understand any information, please ask for an explanation.

Account name	Cash Lifetime ISA	
What is the interest rate?	Annual interest	
	%Tax-free*	%AER*
	1.00%	1.00%
	Interest rate correct as at 22/08/2018. Interest is calculated daily and paid annually. We will pay your interest straight into your account on 5th April each year. Interest will be paid straight into your account.	
Can The Nottingham change the interest rate?	Your interest rate is variable. This means we may increase or decrease interest rates at any time. The basis on which we might change your interest rate and when we will tell you is set out in Condition 7 of the Savings Terms and Conditions. You can check your interest rate at any time on our website at www.thenottingham.com , or by asking at your local branch of The Nottingham.	
What would the estimated balance be after 12 months based on a £1,000 deposit?	Projected balance	
	£1,010.00	
	This estimate is for illustrative purposes only. It assumes: <ul style="list-style-type: none"> • No further deposits or withdrawals are made; • The interest is paid annually and added to the account; • The interest rate stays the same for the full 12 months. • It is based on the annual interest rate. The Government will also pay a 25% bonus on your contributions each year which is not included in this estimate. Condition 7 explains more about this.	
How do I open and manage my account?	<p>To open this account:</p> <ul style="list-style-type: none"> • Visit any branch of The Nottingham. • You must be a UK resident and aged 18 – 39 years old. • If you are not a UK resident, you may still be able to open this account if you meet the Government's Lifetime ISA requirements. Please see the Lifetime ISA declaration on our application form for more details. • You will need to complete the application process in a branch and provide proof of your identity and permanent address. • You will need to deposit a minimum of £10 into the account as your first deposit to open the account. • Your first payment must be in cash or an internal transfer from an existing account you have with The Nottingham (but some of your accounts with us may have restrictions on transfers). • You can open the account in your sole name only. Joint accounts are not permitted. • Please note that because of the deposit restrictions on this account you will not be able to use your full annual ISA allowance. <p>To manage this account:</p> <ul style="list-style-type: none"> • You can operate your account from any of our branches. • After making the initial deposit, you can pay money (up to a maximum of £4,000 a year) into your account at any branch using cash, a cheque, Bacs, standing order, Faster Payment or an internal transfer from an existing account you have with The Nottingham (but some of your accounts with us may have restrictions on transfers). • You will not be able to send payments to your account via CHAPs electronic transfer. • Our Faster Payment sort code is: 60-95-93. Once you have opened your account this sort code should be used with the 8 digit account number for all Faster Payments, Bacs and standing orders. • Standing orders should be set up for between 1st - 25th of the month in order to avoid any over-subscription issues that may occur as a result of the month-end not falling on a working day • You cannot make any more payments in after the age of 50. 	

Can I withdraw money?	<ul style="list-style-type: none">• You can withdraw any available funds and close your account without loss of interest. Withdrawals will incur a 25% Government charge if you do not use the money for a purpose intended by the Government savings scheme. Condition 4 explains the circumstances in which the charge does not apply and how it is calculated. You may get back less than you paid in.• You can cancel the account in the first 30 days from the initial funding date if you need to. Condition 2 explains more about this.• The most you can withdraw in any one day is £500 in cash, or any amount by cheque. This also applies for account closures.• You can transfer funds in full to another LISA or account, subject to the terms and conditions of that account. However, this may be treated as a withdrawal and incur a Government charge.• You cannot open a new Lifetime ISA after the age of 40. You will need to keep at least £1 in your account after you turn 40 if you want to keep your Lifetime ISA benefits.
Additional information	<p>The Lifetime ISA is based on a Government savings scheme and this may change or be revoked in the future. All ISA interest is paid tax-free, which means it is exempt from income tax. Tax rules may change in the future. Any of our accounts can be withdrawn from sale at any time and without notice.</p>

Part 2 - Lifetime ISA Terms and Conditions

These Lifetime ISA Terms and Conditions (the Conditions) must be read with our Key Product Information at Part 1 and our Savings Account Terms and Conditions.

Before opening an account we recommend that, for your own benefit and protection, you read all of the Conditions together with the Key Product Information and our Savings Terms and Conditions as you will be legally bound by them and we intend to rely on them. If you don't understand any point, please ask for further information.

1 In these conditions:

- **'Government bonus'** means the 25% Government bonus paid on all savings up to the Lifetime ISA subscription limit. You can find the current Lifetime ISA subscription limit on our website.
- **'Withdrawal charge'** means the 25% Government withdrawal charge which is payable if you withdraw your money. How the charge is calculated, and the circumstances in which the charge does not apply are described in Condition 4.

2 Cancellation

- 2.1 If you change your mind about opening an account and tell us in writing within 30 days of receiving your Lifetime ISA confirmation letter, we will give you your money back subject to the following provisions:
- (i) Cheques must be cleared before your money can be returned.
 - (ii) Based on calendar days.
 - (iii) The latest date to tell us is the thirty-first day from the date you received your Lifetime ISA confirmation letter.
 - (iv) You must tell us by letter. We will treat the posting date as the date you tell us.
- 2.2 Your cancelled Lifetime ISA will not count as a Lifetime ISA/ISA subscription for that year. You will be treated as though you have not opened and subscribed to the Lifetime ISA. We will return the amount deposited. No withdrawal charge will apply.
- 2.3 Any interest you have earned during this period will be paid with no tax deducted. It is your responsibility to pay any tax which you owe, based on your individual circumstances.
- 2.4 If you do not exercise your right to change your mind, you will continue to be bound by the Conditions.

3 Operation of the account

- 3.1 You may not make payments into the Lifetime ISA once you have reached the age of 50 unless this payment relates to a returned withdrawal after a failed first time residential purchase (this will not count towards a Government bonus).
- 3.2 We do not accept transfers into the Lifetime ISA from other ISAs you hold.
- 3.3 Any instruction to make a Faster Payment will generally be treated by us as being received by us at the time we actually receive your consent to make the Faster Payment. However, if you give us an instruction to make a Faster Payments after 4pm (UK time) on a working day, we will treat your instruction as being received by us on the next working day.
- 3.4 Faster Payments will reach the payee's account no later than the next working day provided the instruction was received on a working day and before 4pm (UK time). You cannot cancel a withdrawal instruction relating to a Faster Payment once it has been given to us.

4 Withdrawals

- 4.1 You can only apply to withdraw up to your cleared balance. We will not process any withdrawal which exceeds this.
- 4.2 If you withdraw money from your Lifetime ISA you will have to pay a withdrawal charge unless:
- (i) You die;
 - (ii) You are diagnosed with a terminal illness and are expected to have less than 12 months left to live (we will ask for written evidence of this from a UK registered medical practitioner or equivalent if you live overseas);
 - (iii) You use your Lifetime ISA to buy your first home (please see the criteria in Condition 5); or
 - (iv) You are 60 years old or older.
- 4.3 **This means that, where the withdrawal charge applies, as well as paying back the Government bonus payments, you will also lose some of your own savings and receive back less than you invested.**
- 4.4 The calculation of the withdrawal charge depends on the circumstances in which the amount was first withdrawn:
- If the withdrawal charge applies because you have withdrawn money from your Lifetime ISA outside of the circumstances described in Condition 4.2 then the withdrawal charge is 25% of the total amount withdrawn (see Examples 1 and 2 below).
- If the withdrawal charge applies because
- (i) you withdrew funds from your Lifetime ISA to buy your first home and the purchase did not complete as described in Condition 5.4; and
 - (ii) the cash withdrawn is not returned to a cash Lifetime ISA with The Nottingham as required by the ISA regulations,
- the withdrawal charge will be calculated as one third of the withdrawn amount. Despite the different calculation, the end result is the same (see Example 3 below).

Example 1:

Mr Jones decides to withdraw £5,000 from his Lifetime ISA. The withdrawal charge is 25% of £5,000 = £1,250. Mr Jones receives £3,750 after deduction of the withdrawal charge.

The Nottingham retains the sum of £1,250 to be paid to HMRC.

Example 2:

Miss McDonald needs to receive £3,000 from her Lifetime ISA on 5 May 2018 to buy a car. The gross amount that needs to be deducted from her account is £4,000. The withdrawal charge is 25% of £4,000 = £1,000. Miss McDonald receives £3,000 after deduction of the withdrawal charge.

The Nottingham retains the sum of £1,000 to be paid to HMRC.

Example 3:

Mr Smith withdraws £4,000 from his Lifetime ISA on 10 April 2018 without charge to put towards the costs of purchasing his first residential property. The withdrawn amount was sent direct to Mr Smith's conveyancer by The Nottingham. His house purchase subsequently falls through but Mr Smith's conveyancer does not return the funds into his Lifetime ISA. The balance remaining in his account is £2,000.

Because the funds are not returned a withdrawal charge is payable and HMRC notify The Nottingham of their intention to deduct the charge from the balance in the account.

In order for Mr Smith to receive £4,000 net, a total of £5,333.33 should have been withdrawn from the account (25% of £5,333.33 = £1,333.33, leaving £4,000 net).

The Nottingham must pay £1,333.33 to HMRC and recover this from Mr Smith.

- 4.5 If the withdrawal charge applies, this will be deducted from the amount withdrawn before we pay the amount withdrawn according to your instructions. This means that your cleared balance must include the withdrawal charge payable. We will not process any withdrawal which exceeds your cleared balance (taking the withdrawal charge into account).
- 4.6 If the withdrawal charge becomes payable after the funds have been withdrawn then we will deduct the withdrawal charge from any balance remaining within the account. If the remaining balance is not sufficient to pay the withdrawal charge then you must pay us the difference. We will contact you to make arrangements for payment.
- 4.7 Lifetime ISAs do not offer flexible withdrawal. If you make a withdrawal the withdrawal charge will be applied unless the exceptions in Condition 4.2 apply.

5 Making a withdrawal to buy your first home

5.1 You can use the money you save in your Lifetime ISA to buy your first home if you meet the following conditions:

- (i) You have held your Lifetime ISA for at least 12 months since the first payment into the Lifetime ISA;
- (ii) The value of the property must not exceed £450,000 (whether or not you are purchasing with another person);
- (iii) The property must be purchased in the UK with a mortgage, but not a buy to let mortgage unless you, or your spouse or civil partner, are a UK Crown employee serving overseas and intend to use the property as your main residence in future;
- (iv) You must occupy the property as your main residence immediately on completion, or:
 - (A) if you or your spouse/civil partner are a UK Crown employee serving overseas, you must intend to in the future; or
 - (B) if the property is not fit to live in at the time of completion, you must intend to occupy it immediately on it becoming suitable for habitation; and
- (v) You must not own, or have owned, a property previously. If you've inherited a property, or owned a share of one, you will not be classed as a first-time buyer.

- 5.2 You can make more than one withdrawal in relation to your house purchase i.e. phased withdrawals during the buying process. No minimum amount will apply to these withdrawals.
- 5.3 You will need to tell your conveyancer that you are using all or part of your Lifetime ISA to buy the property and they will ask you to provide them with a declaration. Your conveyancer also has to provide us with a declaration and you must make sure they do this as part of the buying process. Once we receive the paperwork we will pay the amount requested to the conveyancer within 30 days. No withdrawal charge will apply.
- 5.4 If your purchase does not complete within 90 days of the withdrawal, your conveyancer must tell us and return the amount withdrawn to a cash Lifetime ISA with The Nottingham within 10 working days, unless your conveyancer applies for an extension under the ISA regulations.
- 5.5 If we reasonably believe that the information provided to us by the conveyancer is untrue or incomplete we will not permit the withdrawal and we will contact you on the latest telephone number that we hold for you to inform you. If we cannot reach you by telephone, we will contact you by post at your last known address.
- 5.6 If you start saving for a home but your circumstances change and you intend to use your Lifetime ISA for saving towards retirement instead, you will need to decide whether this is the best option for you.

6 Help to Buy: ISAs

6.1 You can open both a Lifetime ISA and a Help to Buy: ISA, but can only use the bonus from one of these to buy your first home.

7 Government bonus

- 7.1** We will claim the Government bonus from HMRC on your behalf. HMRC will calculate the Government bonus based on the contributions you have made each month and pay each Government bonus within 4-9 weeks. The Government bonus is paid on all contributions you make before you reach the age of 50.
- 7.2** If HMRC rejects our claim for a Government bonus payment on your behalf, they will tell us why. We will inform you within 14 days of HMRC telling us about the rejected claim. You can apply to HMRC within 90 days asking them to reassess the decision. If you are successful, HMRC will ask us to reapply for the Government bonus and we will do this on your behalf.
- 7.3** If a Government bonus is wrongly paid to you, or a withdrawal charge is not paid by you when it should have been, HMRC can claim this amount from you. If instructed by HMRC, we are required to pay them the amount that is due directly from an account you hold at The Nottingham.
- 7.4** If you think that you have wrongly paid a withdrawal charge, you may apply to HMRC for a refund of the withdrawal charge. You must make this application within 4 years of paying the withdrawal charge.



8 Account limits

- 8.1** You must not subscribe to more than one Lifetime ISA in any one tax year.
- 8.2** You can deposit up to £4,000 each tax year before you reach the age of 50.
- 8.3** Any deposits into your Lifetime ISA must not exceed the overall ISA allowance that the Government sets each year. You can find the current overall ISA allowance on our website. You can split your ISA allowance however you like between a cash ISA, a stocks and shares ISA, a Lifetime ISA and an innovative finance ISA, as long as you do not subscribe to more than one of each type in the same tax year and do not go over the maximum overall limit or maximum limit for Lifetime ISAs and Help to Buy: ISAs.
- 8.4** Subject to any limits or rules imposed by HMRC, you can put all your annual ISA allowance into one of our cash ISA products or split it across a cash Lifetime ISA and one of our cash ISA products provided that the amount you pay in does not exceed your annual ISA allowance when added together across all your ISA products.
- 8.5** If you wish to transfer your current year subscriptions into any ISA with The Nottingham, you can only transfer all (but not part) of that money you have paid into ISAs with us (including your Lifetime ISA and any cash ISA you hold with us) in the current tax year. However, you can transfer all or part of the money you have paid in previous tax years.
- 8.6** The maximum balance any one saver can hold across all of their ISAs with The Nottingham is £750,000. This limit can only be exceeded with any interest and Government bonus added to your account(s).
- 8.7** Payments which do not comply with the minimum and maximum limits will be returned immediately and will not incur a withdrawal charge.

9 General ISA Terms and Conditions

- 9.1** We will operate your account in accordance with government legislation and HMRC regulations and guidance.
- 9.2** The Lifetime ISA must be in your own name and not be held for the benefit of anyone else, including being used as security for a loan.
- 9.3** We will satisfy ourselves that anyone we delegate our functions or responsibilities under the Conditions to is competent to carry them out.
- 9.4** If you fail to satisfy the provisions of the ISA regulations or become bankrupt, we may have to void your Lifetime ISA. If this happens we will notify you. You may have to pay tax on the interest earned.
- 9.5** You can transfer your Lifetime ISA, with all rights and obligations, to another Lifetime ISA manager. To do so, please contact your new Lifetime ISA manager. When we receive transfer instructions from them we will transfer your account within the time stipulated by you or 30 working days (whichever is later) in accordance with the ISA regulations relating to transfers. Your savings will remain tax-free as long as the transfer is made in accordance with the ISA regulations and no withdrawal charge will be charged.
- 9.6** If you wish to transfer your Lifetime ISA to a different type of ISA, the withdrawal charge may apply to the amount transferred unless you are over the age of 60 or terminally ill and are expected to have less than 12 months left to live (see Condition 4.2). You will also not be able to pay into another Lifetime ISA during the same tax year.



 Talk to us in **branch**
 or visit **thenottingham.com**

*The 25% bonus is provided by the Government. The Lifetime ISA can be opened by customers aged between 18-39 years old that reside in the UK to either save for their retirement or their first house purchase. The product has a 25% charge associated with any withdrawals that are not an eligible life event (first house, aged over 60, terminal illness and deceased). Investors can pay in up to £4,000 per financial year into their Lifetime ISA and the government will pay a 25% bonus on a monthly basis from 6th April 2018. Customers cannot pay into their Lifetime ISA from the age of 50+ or earn the 25% bonus. If you save in a Lifetime ISA instead of enrolling or contributing to a pension scheme, you may lose valuable employer contributions. Entitlement to any means tested benefits may be affected. ISA transfers can only be conducted in branch, for full details please see our terms and conditions. The 25% withdrawal charge is on everything (deposits made, bonus and interest). For full terms and conditions please ask branch staff or visit thenottingham.com for our Keyfacts document and summary box.

Protecting Your Money

The Financial Services Compensation Scheme (FSCS) is there to protect your money if your financial services provider goes out of business; you'll normally get your money back within seven days. All of our savings accounts are FSCS protected up to £85,000 per depositor. FSCS is funded by the financial services industry, and is free to consumers. To find out more, ask at your local branch or go to www.FSCS.org.uk

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