

## ISA Builder (Issue 2)



The Financial Conduct Authority is a financial services regulator. It requires us, Leeds Building Society, to give you this important information to help you to decide whether our ISA Builder (Issue 2) is right for you. You should read this document carefully so that you understand how the account operates, then keep it safe for future reference.

Summary Box Key Product Information for our Savings Account(s)	
<b>Account Name</b>	ISA Builder (Issue 2)
<b>Interest Rates (AERs)</b>	2.00% Tax-free <sup>†</sup> p.a./ 2.01% AER* (Fixed)
<b>Tax Status</b>	This is a tax free account so interest payable is exempt from income tax. The tax treatment depends on the individual circumstances of each customer and may be subject to change in the future.
<b>Conditions for bonus payment</b>	There is no bonus available on this account.
<b>Withdrawal arrangements</b>	No withdrawals are permitted until the day after maturity (6 April 2015). If any withdrawals are made, the account will be subject to 60 days loss of interest or an equivalent amount on the amount withdrawn / transferred. Any amount withdrawn will count towards your ISA limit, therefore once you have reached the ISA subscription limit, any funds you withdraw cannot be replaced and you would lose the tax-free benefit on the amount withdrawn.
<b>Access</b>	Account can be opened through any of our branches, via our website or by post, and can be operated through any of our branches or by post.

Rate correct as at 6<sup>th</sup> August 2014. <sup>†</sup>Tax-free means that interest payable is exempt from income tax. \*AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and added each year.

**The ISA Builder (Issue 2) is a limited issue and may be withdrawn at any time and without notice.**

### Minimum and maximum subscriptions (2014/2015 tax year)

- The minimum subscription and operating balance is £100. In the event that the balance falls below £100, the basic investment rate of interest which is currently 0.05% Tax-free<sup>†</sup> p.a./AER\* (variable) shall apply.
- The maximum amount that you can subscribe to the ISA Builder (Issue 2) increases each month by £1,666.67 save for the period 1 August 2014 to 31 August 2014 which has a maximum subscription limit of £1,666.64 as detailed in the table below:

Up to	Maximum monthly balance
31 August 2014	£1,666.64
30 September 2014	£3,333.31
31 October 2014	£4,999.98
30 November 2014	£6,666.65
31 December 2014	£8,333.32
31 January 2015	£9,999.99
28 February 2015	£11,666.66
31 March 2015	£13,333.33
5 April 2015	£15,000.00

- There are no restrictions on the number of deposits that you make and deposits are not required every month as long as the maximum balance for each month is not exceeded, as set out in the table above.
- The overall maximum subscription is £15,000 as set out above. However, this is subject to any stocks and shares ISA subscriptions you have made for the 2014/2015 tax year.
- Subscriptions in future tax years are not allowed.
- Subscription limits in any tax year are set by HM Revenue and Customs (HMRC) and therefore may change.

### When is interest paid?

Interest is paid on maturity (5 April 2015).

### How is interest paid?

Interest can be credited to the account or transferred to another building society/bank account or to another account held with the Society.

### Transfer your ISA to Leeds Building Society

You can transfer your existing 2014/2015 ISA subscription to the ISA Builder (Issue 2), however any amount that you transfer must not exceed the maximum monthly balance, as set out at condition 5.2 of the Product Terms and Conditions below, for the month that you transfer. For example, if you decided to transfer your existing ISA to the ISA Builder (Issue 2) in August 2014, you would only be able to transfer £1,666.64. Please note that you can only hold one cash ISA in the 2014/2015 tax year and you may therefore lose part of your ISA allowance by making such a transfer.

To transfer, simply complete the Cash ISA Transfer Authority Form and Cash ISA Application Form (if required) and we'll do the rest.

**Please note that we do not allow transfers from stocks and shares ISAs into this product.**

### Transfer your Leeds Building Society ISA to another ISA Manager

If you wish to transfer all or part of your cash ISA to another ISA manager prior to the maturity date, you will need to contact your new ISA manager and complete their transfer request form. Please note HM Revenue and Customs guidelines state that a cash ISA transfer must be completed within 15 working days of receipt of an instruction from you. Any subscription cancelled in this way will not count as a subscription to an ISA. For further details, please see condition 3 of the Product Terms and Conditions.

### What happens to my investment at maturity?

The ISA Builder (Issue 2) will mature at midnight on 5 April 2015. At the end of the fixed term, subject to Government legislation, your account will remain an ISA. On the day after maturity (6 April 2015), the Society will transfer your investment (including any interest) to an instant access maturity ISA product. Full details, including terms and conditions, will be provided before maturity.

**Please note:** the tax treatment of ISAs may change. This is a cash ISA. You may only subscribe to (invest in) one cash ISA in each tax year (although in any such year you may also subscribe to a stocks and shares ISA, subject to the overall ISA subscription limits). By opening a cash ISA you will be limiting the amount you can subscribe to a stocks and shares ISA.

### What is an ISA?

An ISA is an Individual Savings Account and is simple way of investing your money, tax-free. ISAs have no set investment period, though there are limits on the amount you can invest. There are two types of ISAs: cash ISAs and stocks and shares ISAs.

### The basics:

- You can only invest in one cash ISA and one stocks and shares ISA in each tax year, subject to the appropriate limits. Leeds Building Society does not offer stocks and shares ISAs.
- You can open a cash ISA if you're 16 or over (18 for a stocks and shares ISA) and if you're resident in the UK for tax purposes, or if not so resident, be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a civil partnership with, such a person.
- It is likely that ISAs will be available for the foreseeable future, although their tax treatment may change.

### How much can I invest/withdraw?

- HMRC sets a tax-free allowance which you can save in an ISA each tax year.
- From 1 July 2014 the overall ISA limit is £15,000 for the 2014/2015 tax year.
- You can choose whether you wish to invest the full £15,000 in a cash ISA, a stocks and shares ISA or a combination of both – however, if you do decide to invest in both your overall investment must not exceed £15,000.
- You can withdraw money from your cash ISA at any time, and your interest will still be paid, tax-free, (although please note that for some products early withdrawal/transfer charges may apply).
- Any amount withdrawn will count towards your ISA limit, therefore once you have reached the ISA subscription limit, any funds you withdraw cannot be replaced and you would lose the tax-free benefit on the amount withdrawn, for example:

From 1 July 2014:	
If you subscribe:	£1,500
Then withdraw:	£500
Your remaining limit is: (provided you have made no subscriptions to a stocks and shares ISA in the 2014/2015 tax year)	£13,500
Maximum ISA subscription limit:	£15,000

- The maximum amount that you can subscribe to the ISA Builder (Issue 2) increases each month by £1,666.67 save for the period 1 August 2014 to 31 August 2014 which has a maximum subscription limit of £1,666.64 as detailed in condition 5 of the Product Terms and Conditions. The maximum overall subscription is £15,000. However, this is subject to any stocks and shares ISA subscriptions you have made for the 2014/2015 tax year.

### What about income tax?

Cash ISAs are tax-free accounts so interest payable is exempt from income tax. The tax treatment depends on the individual circumstances of each customer and may be subject to change in the future.

### What if I change my mind?

From the date of account opening you have 14 days to notify us (in writing) if you are not happy with your choice of account. Please write to Customer Services, Leeds Building Society, 105 Albion Street, Leeds LS1 5AS. Within that period we will, if instructed by you, refund your investment with interest from account opening, or subject to eligibility, transfer the investment to another account of your choice without any charge for early withdrawal. Any subscription cancelled in this way will not count as a subscription to an ISA. Please refer to the Society's General Investment Terms and Conditions for further information.

### What if I have a complaint?

We aim to provide a high quality service to customers at all times. Unfortunately mistakes do occur, but when this happens we shall do our best to resolve problems or misunderstandings which arise. Should you need to refer a matter of complaint to us, details of the procedure are available from your local branch or our Customer Helpline. Ultimately, your complaint may be referred to the Financial Ombudsman Service, of Exchange Tower, Harbour Exchange Square, London, E14 9SR.

## PRODUCT TERMS AND CONDITIONS

The Society's General Investment Conditions will apply unless (and to the extent that) they are inconsistent with these Terms and Conditions.

### ISA Builder (Issue 2) – Effective from the date of account opening.

#### 1. Eligibility

- 1.1 Only one cash ISA may be opened by an individual in any one tax year.
- 1.2 A cash ISA may not be opened unless the individual is aged 16 or over and is resident in the UK for tax purposes, or if not so resident, be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a civil partnership with, such a person.
- 1.3 A cash ISA may not be held in joint names.
- 1.4 ISA investments will be, and must remain in, the beneficial ownership of the account holder and must not be used as security for a loan.
- 1.5 A cash ISA cannot be opened by a person other than the account holder except where someone is unable to complete an application form due to physical or mental incapacity and the Society is provided with such evidence/documentation as it may require (although the account must be in the name of the person incapacitated).

#### 2. Operation of the account

- 2.1 The cash ISA limits must not be exceeded in any tax year.
- 2.2 The operation of the account is subject to the applicable provisions of the ISA Regulations. The Society will notify you if, by reason of any failure to satisfy the ISA Regulations, the ISA has, or will, become void.
- 2.3 The Society will satisfy itself that any person to whom it delegates any of its functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities.
- 2.4 The tax treatment of ISAs may change.
- 2.5 The ISA Builder (Issue 2) is a limited issue and may be withdrawn at any time and without notice.
- 2.6 The account can be opened through any of our branches, via our website or by post, and can be operated through any of our branches or by post.
- 2.7 Where the account is operated by post the Society aims to deal with all transactions within two working days of receipt of a request. However, the Society cannot be held responsible for delays due to unforeseen circumstances and postal delays.

#### 3. Transfer your ISA to another ISA Manager

- 3.1 If you wish to transfer all or part of your ISA to another ISA manager we will transfer this in accordance with the ISA regulations relating to transfers. On receipt of a transfer instruction form from the new ISA manager we will send the funds and accompanying information to the new ISA manager within five business days of the date of receipt.
- 3.2 On your instructions, and within such time as you shall stipulate, all or part of the investments held in the ISA and any interest arising from those investments shall be transferred or paid to you.
- 3.3 If you transfer any of your capital investment before maturity (5 April 2015), the account will be subject to 60 days' loss of interest or an equivalent amount on the amount transferred.

#### 4. Transfers in

- 4.1 You can transfer your existing 2014/2015 ISA subscription to the ISA Builder (Issue 2), however any amount that you transfer must not exceed the maximum monthly balance, as set out at condition 5.2 below, for the month that you transfer.
- 4.2 On receipt of a transfer instruction from you, the Society will send it to the old ISA manager, together with confirmation that the Society will accept the transfer, within 5 working days of the date of receipt. On receipt of the cash and accompanying information from the old ISA manager, the Society will credit the cash to the ISA account within 3 working days of the date of receipt.
- 4.3 Transfers in from previous tax years' subscriptions are not permitted.

#### 5. Minimum and Maximum Subscriptions

- 5.1 The minimum subscription and operating balance is £100. In the event that the balance falls below £100, the basic investment rate of interest which is currently 0.05% Tax-free† p.a./AER\* (variable) shall apply.
- 5.2 The maximum amount that you can subscribe to the ISA Builder (Issue 2) increases each month by £1,666.67 save for the period 1 August 2014 to 31 August 2014 which has a maximum subscription limit of £1,666.64 as detailed in the table below:

Up to	Maximum monthly balance
31 August 2014	£1,666.64
30 September 2014	£3,333.31
31 October 2014	£4,999.98
30 November 2014	£6,666.65
31 December 2014	£8,333.32
31 January 2015	£9,999.99
28 February 2015	£11,666.66
31 March 2015	£13,333.33
5 April 2015	£15,000.00

- 5.3 There are no restrictions on the number of deposits that you make and deposits are not required every month as long as the maximum balance for each month is not exceeded, as set out in the table above.
- 5.4 The overall maximum subscription is £15,000 as set out in the table above. However, this is subject to any stocks and shares ISA subscriptions you have made for the 2014/2015 tax year.
- 6 **Subscriptions in future tax years**
- 6.1 Subscriptions in future tax years are not permitted.
- 7 **Withdrawals**
- 7.1 No withdrawals are permitted until the day after maturity (6 April 2015). If any withdrawals are made, the account will be subject to 60 days loss of interest or an equivalent amount on the amount withdrawn / transferred.
8. **Maturity**
- 8.1 The ISA Builder (Issue 2) will mature at midnight on 5 April 2015. On the day after maturity (6 April 2015), the Society will transfer your investment (including interest) to an instant access maturity ISA product. Full details, including terms and conditions, will be provided before maturity.
9. **Interest rate and payment of interest**
- 9.1 Interest will be paid on maturity (5 April 2015).
- 9.2 Interest can be credited to the account or transferred to another building society/bank account or to another account held with the Society.
- 9.4 From the date of account opening the interest rate will be fixed until maturity.
- 9.4 The fixed interest rates are related to long term market rates at the time of issue. Future fixed rate products may be offered at higher or lower rates depending upon the changes in market conditions.
10. **Death of an account holder**
- 10.1 In the event of your death, interest earned will be treated as tax exempt until the date of death, but thereafter tax will be deducted at the appropriate rate. When we receive notice of your death, we will close your cash ISA and transfer the balance to a non-ISA product.

## Opening your Account

### How to open an account

To open an account at one of our branches or by post you will need to provide the following:

- A completed and signed application form; and
- A deposit for your investment (for postal applications, a personal cheque is preferred).

### Verifying your identity

Under the Money Laundering Regulations and Financial Conduct Authority rules, we are required to verify the name, address and date of birth of investors. To do this, we will ordinarily use an electronic verification system.

For branch applications, you will also need to supply additional proof of your identity, preferably in the form of a full UK or EU photo driving license or a valid UK or EU passport. For postal applications, you will need to supply a certified copy of one of the above documents and either an original or certified copy of a utility bill which is less than 3 months old (not a mobile phone bill). For details of other forms of acceptable identification, please contact your local branch (for branch applications) or call our Customer Helpline on 0113 225 7777 (for branch or postal applications).

### Existing Customers

If you already have an open account with us, you do not ordinarily need to provide any proof of your name or address. Please ensure you write your existing account number in the space provided on the application form.

Leeds Building Society is a member of the Building Societies Association. The Society is a participant in the Financial Services Compensation Scheme, established under the Financial Services and Markets Act 2000, and compensation may be available if the Society cannot meet its liabilities in respect of this product, please see the General Investment Conditions for full details.

The Society is covered by the Financial Ombudsman Service. We may monitor and/or record your telephone conversations with the Society to ensure consistent service levels (including colleague training).

The Society's main business is the provision of savings products, mortgages and general insurance. The Society offers some investment products that may be operated through branches and by post and certain products, which can be operated by post only.

Leeds Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and our registration number is 164992. You can check this on the Financial Services Register by visiting the FCA website at [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768.

Other taxes or costs may exist that are not paid by Leeds Building Society.

**Large text, Braille and audio tape versions of our brochures are available on request.**

Rates are correct at time of printing.