



## Our terms and conditions

### Introduction

These terms and conditions set out what you can expect from the Smarterly platform and explain your rights and responsibilities.

These apply in addition to the terms of use of our website and our privacy policy and any other data protection agreement that we may have in place with your employer. You should read these documents carefully as we will rely on them when providing our service and products to you.

### About us

Smarterly is a trading name of Smarter Financial Services LLP and we are authorised and regulated by the Financial Conduct Authority. We are entered on the FCA register and our registration number is 602533. The FCA can be contacted at 12 Endeavour Square, London, E20 1JN.

Smarter is a limited liability partnership registered in England with registered number OC337856. Our registered office address is Highdale, Headley Road, Leatherhead, England, KT22 8QE.

### Our role

We provide facilities for holding cash and investments from a wide range of providers, and for automatically monitoring and keeping track of your money. Our nominee company, Smarterly Nominees limited, provides safeguarding and custody services.

You can issue instructions to us via our website and we will execute those instructions including handling your money as necessary. The types of instructions that you can issue include:

- To open a new product account, including a Stocks and Shares ISA, Cash ISA, Lifetime ISA, Junior ISA, or general investment
- To pay money into an existing product account, either as a one off lump sum or on a regular basis
- To request that your employer pays money into your product account out of your pay (if your employer agrees to accept this type of request)
- To transfer an existing product from another provider to us, or from us to another provider
- To switch the cash or investments within your product account into an alternative from our comparison tables
- To withdraw your money and/or close your product account

We will only accept instructions via our website and cannot accept instructions over the telephone. Statements, confirmation notes, and certain other correspondence will be sent to you via email, with copies available on our website within your account.

Our services are provided on an execution only basis. We do not provide advice and therefore do not have a duty to ensure suitability of any of the services, products or actions you choose. Because we don't give advice about your choices Smarter will not be obliged to pay compensation if the service, product or action you choose is not suitable for you.

It is your responsibility to take into account your circumstances and objectives and make your own judgement as to suitability. If you have any doubts we recommend you take professional financial advice.

### How we are paid

Our income comes from the charges you pay which are deducted from your product account and commission that is paid to us by depository banks. Details of how charges are deducted are provided in the charges section. To ensure impartiality, we do not accept any commission from fund managers.

The total charges for each product account and investment are shown on our website. A full breakdown is provided when a product account and investment is selected, and is also available on an ongoing basis from within your account.

Our charges are based on the value of the assets you hold within the product accounts and will be paid monthly by selling your investments if necessary. Further details are available in the charges section.

Separate charges are taken by fund managers and the amounts vary depending on the investment chosen. These charges are incorporated into the fund prices and will not require you to sell your investments.

### Our intermediate platforms' role

We will use one or more intermediate platforms to buy, sell and hold investments on your behalf. Our nominee company, Smarterly Nominees Limited, will set up an account with those platforms within which our clients' assets are held.

This means you benefit from our economies of scale and negotiating power with the intermediate platform. There is no charge to you for using intermediate platforms in this way and we do not and will not share your personal data with the intermediate platform providers.

When you instruct us to buy or sell investments for you, we will aggregate your instruction with those of our other clients, then place bulk trades with the intermediate platform. The intermediate platform will then place these trades with fund managers or other counterparties.

The intermediate platforms will also hold your assets in the name of a separate, ring-fenced, nominee company. Your assets are subject to FCA rules for their protection and will be covered by the Financial Services Compensation Scheme.

We also reserve the right not to use an intermediate platform to buy, sell and hold investments on your behalf and to take on some or all of these activities ourselves.

### Our nominee company role

Smarterly Nominees Limited provides professional nominee services exclusively for us and can only hold assets belonging to our clients. It does not carry on business in its own right and any assets held by it cannot be lent or borrowed against.

This means your assets are held separately from our own assets. These services are included as part of our overall services to you, at no additional charge.

While your own name and details do not appear on the register of any of the companies or funds whose investments you have chosen to hold in your product account, your investments are still held

for your product account. We keep detailed records of which investments are held for each of your product accounts, so that your interests in the investments are fully documented.

We are responsible for the acts and omissions of Smarterly Nominees Limited, which is our wholly owned subsidiary. In compliance with applicable law and regulations, we are responsible for the safeguarding and administration of investments as if we were the nominee company itself.

We reserve the right at any time to appoint an alternative nominee and/or custodian for your investments.

### Fund managers' role

Fund managers invest your money in individual stocks and shares. There are a large number of different fund managers available in our comparison tables. All of these fund managers are covered by the Financial Services Compensation Scheme.

The fund managers make a separate charge for their services which vary depending on the funds selected. Full details of the charges can be found in the key investor information documents for each fund, which are available after selecting an investment with us.

Fund manager charges will be included in the total charge shown in our comparison tables, and a breakdown will be provided when an investment is selected.

### Our custodian banks' role

We are not a bank or building society which means we cannot hold your money as a deposit. Therefore we will hold your money with one or more custodian bank(s) whilst it is in the process of being invested.

Your money is held in separate, ring-fenced, client money accounts with those banks, and is subject to FCA client money rules for its protection. It will be pooled together with all our clients' money and held separately from our own money.

Our custodian bank(s) are covered by the Financial Services Compensation Scheme. Compensation under the FSCS is limited and the current limits can be obtained from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk). Any limits will apply to your total deposits within the banking group to which the bank belongs. This means that any other holdings that you have with the bank will be included in calculating such limits.

There is no charge to you for using our custodian banks and we do not and will not share your personal data with them. Your money will not earn interest when it is held in this way. We reserve the right to change the 3rd parties we use to fulfil this role and/or to take on some or all of these activities ourselves.

### Depository banks' role

Depository banks are banks with whom Smarterly holds one or more pooled accounts into which you can choose to deposit your money via our platform in order to earn interest.

Your money is held in separate, ring-fenced, accounts with those banks, and is subject to FCA rules for its protection. It will be pooled together with our other clients' money and held separately from our own money.

With some depository banks, to achieve a higher rate of interest rate for our customers, we may arrange for your money to be held under a bare trust deposit agreement. This means that the assets

are held in the name of a trustee, Smarterly, with you as the beneficiary, and you have the absolute right to all of the capital and income of your trust at any time, provided you are 18 or over (in England and Wales), or 16 or over (in Scotland).

In some cases we may share your personal data with depository banks where this is necessary for the purposes of delivering the service to you (eg some of our depository banking partners require this for regulatory purposes).

We will only offer depository bank(s) that are covered by the Financial Services Compensation Scheme. Compensation under the FSCS is limited and the current limits can be obtained from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk). Any limits will apply to your total deposits within the banking group to which the bank belongs. This means that any other holdings that you have with the bank will be included in calculating such limits.

We may change the depository banks we offer at any time and/or offer this service ourselves.

### Products available

We may offer one or more of the following products. Our product range will vary from time to time and not all of these products will always be available to new customers:

Product	Description	What you can choose to do with your money
Smarterly Investment ISA	This is a Stocks & Shares ISA. It is subject to special tax treatment under the Individual Savings Account Regulations.	Invest in collective funds Deposit in cash
Smarterly Cash ISA	This is a Cash ISA. It is subject to special tax treatment under the Individual Savings Account Regulations.	Deposit in cash
Smarterly Lifetime ISA	This is a Lifetime ISA. It is subject to special tax treatment under the Individual Savings Account Regulations.	Invest in collective funds Deposit in cash
Smarterly Junior ISA	This is a Junior Stocks & Shares ISA. It is subject to special tax treatment under the Individual Savings Account Regulations.	Invest in collective funds Deposit in cash
Smarterly General Investment Account (GIA)	This is a general account for holding investments or deposits. It has no special legal status or tax treatment. Investments held within it may be subject to capital gains tax, income tax and other taxes depending on your personal circumstances.	Invest in collective funds Deposit in cash

## Product accounts

To help you keep track of your money more easily, you can create a number of separate accounts within each of the products above and each account can be managed separately.

These accounts are provided only for convenience. They do not have any impact on the legal or tax status of the products.

In particular, they do not affect the way in which ISAs allowances may be used. This means you may contribute to more than one account within your ISA in any given tax year, because all contributions go into the same underlying ISA product.

## Cash facility

Every product account has a cash facility which is used to hold your cash and pay for any investments you buy. When you pay money into or take money out of an account, it goes via the cash facility for that account.

## Paying money in

We may enable you to pay money into your product accounts via any of the following methods. Our payment methods may vary from time to time and we cannot guarantee that all of these payment methods will always be available.

Money will only be credited to your cash facility once payments have fully cleared and arrived in our custodian bank account. If you have chosen to invest the money within your product account, then the process of buying your investments will start once the money has been credited to the cash facility.

We accept no liability for any loss arising within the clearing period, including any loss due to variation in the price of investments whilst your payment clears.

Payment method	Normal clearing time before we can start buying investments	Further information
Ad-hoc direct debit (we pull money in)	+4 days if a direct debit mandate is already in place  +5 days if a new mandate needs to be set up	You can instruct us to pull money into a product account via an ad-hoc direct debit via your Smarterly account.  We are not responsible or liable for any loss or costs incurred as a result of a direct debit payment being rejected by your bank.  If an ad-hoc direct debit request fails we will inform you. We will not attempt to re-request the payment from your bank.

Regular direct debit	<p>We aim to ensure money is deposited on the day of the month specified when the direct debit is set up.</p> <p>Note that this means we need to request the direct debit from your bank at least 4 or 5 days before that day.</p>	<p>You can instruct us to set up a regular direct debit into a product account via your Smarterly account.</p> <p>We are not responsible or liable for any loss or costs incurred as a result of a direct debit payment being rejected by your bank.</p> <p>If a regular direct debit request fails we will inform you. We will not attempt to re-request that month's payment from your bank.</p> <p>We will attempt to collect the next month's payment when it is due, if this payment is also rejected by your bank, we will inform you and cancel your direct debit instruction.</p>
Bank transfer (you push money to us)	<p>+1 day if transferred via Faster Payment</p> <p>+4 days if transferred via BACS</p>	<p>You can transfer money into a product account by transferring it to our custodian bank account and using a payment reference for that product account.</p> <p>We use the payment reference to identify that the transfer originated from you and allocated it accordingly.</p> <p>We are not responsible or liable for any loss or costs incurred as a result of the incorrect initiation of a bank transfer (BACS, Faster Payments or CHAPS) to our bank account.</p>
Via your employer by deducting it from your pay	<p>Varies depending on arrangement with your employer, but we usually aim for the same day it is deducted from your pay</p>	<p>If your employer agrees, you can instruct them to pay money into a product account on your behalf.</p> <p>Depending on the agreement we have with your employer, you may be able to instruct them of this via your Smarterly account, or your employer may have alternative arrangements.</p>
Debit card	<p>+4 days</p>	<p>You can pay money into a product account via debit card.</p> <p>We will credit the money to your account once your bank actually transfers it to us. This can take them up to 4 days after you make the payment.</p>

### Automatic overflow of payments in

To facilitate managing your account within the ISA rules, we reserve the right to set you up a general investment product account and to automatically overflow payments into that account where you have reached your maximum ISA allowance according to our records.

Where we set up a general investment product account for you automatically, we will arrange for your money to be either held in cash or invested in line with the selection you made on the original ISA or Lifetime ISA product account.

We may also allow you to configure automatic overflow rules yourself, to control which product account(s) any excess payments are overflowed into. For example:

- to enable a Lifetime ISA to overflow into an ISA, or
- for an ISA to overflow into one or more Junior ISAs, or
- for an ISA to overflow into a general investment with a different investment strategy

This functionality is provided for your convenience, but you remain responsible for compliance with the ISA rules. In particular, the automatic overflow functionality will take no account of any contributions you may have made into ISAs held with other providers.

### Taking money out of your account

Subject to any specific rules relating that product, you can request a withdrawal of money from any of your product accounts at any time.

Scenario	Process and timing
Withdrawal from investments	<p>You can instruct us to withdraw your money without a charge at any time from your investments.</p> <p>We will instruct our nominee to sell a number of units in your funds to cover the withdrawal. Because the value of units is not known in advance and investments can go up and down, the actual sale proceeds will be slightly different to the amount you request.</p> <p>To sell the investments and for us to receive the proceeds from the fund manager, would normally take between 2 and 5 days. Thereafter the money is then available for you in your cash facility.</p> <p>Once the sale proceeds for all funds have been credited to your cash facility account the total amount will be transferred to your bank account.</p>
Withdrawal from cash	<p>You can instruct us to withdraw money from cash deposit within any product account.</p> <p>The amount you withdraw will be transferred to your bank account on either the same day or the following day depending on what time you place the instruction.</p>
Withdrawal from cash held with a depository bank with a notice period	<p>If you have chosen to deposit your money with one of our depository banks in an account with a notice period then any withdrawals will be subject to the terms of notice period.</p> <p>In certain cases of hardship, our depository banks may, at their discretion, allow withdrawal without waiting for the full notice period. This would generally be due to exceptional circumstances outside your control that you could not have reasonably foreseen when you opened the account, such as</p>

	the diagnosis of a terminal illness, bankruptcy, insolvency or sequestration. In such circumstances, you will need to contact us in writing and we will deal with each case individually.
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## Charges

This section describes how our charges are applied. The actual amount of our charges for each product account is provided when you open that account and can be viewed on an ongoing basis by logging into your account.

Please note that investments may also be subject to fund manager charges. The amounts of these charges are available on our website but the details of their calculation and deduction are controlled by the fund manager, who may use a different approach to that described here.

All product accounts are subject to a single charge which is calculated daily as a percentage of the value of that account. Charges are expressed in per annum amounts, and the daily charge is 1/365th of that annual amount.

For example, if the annual charge is 0.5% and the value of your product account on a particular day is £1000, then the charge accrued on that day would be  $£1000 * 0.5\% * 1/365 = 1.37$  pence.

Charges are calculated and accrued daily but we will usually collect them monthly in arrears. To collect the charges we will automatically sell some of the units in the largest single fund holding within the relevant product account.

Where the amount sold is slightly more or less than the charges due, the balance will be held in a cash account in your name and shall be set off against the following month's charges.

## Closing your accounts

You can close any of your product accounts any time by asking to withdraw all your money or requesting a transfer to another appropriate provider

In this situation we will complete any instructions we have already started for you and these terms and conditions will apply until we complete all of those instructions and pay out any money we owe you.

We may cease to accept further contributions or transfers in, or close one or more product accounts, if we deem it appropriate and reasonable to do so, either by giving you at least three months' written notice or immediately on written notice unless legally prohibited from doing so where:

- you, a third party who is paying contributions on your behalf, or your employer, are named on a sanctions list
- we have been given a court order obliging us to do so
- if you are no longer resident in the UK or you become a citizen of another country
- you have assigned your product account to a third party without our agreement
- you are using your product(s) for illegal purposes
- the details and declarations you gave during your application for the product account(s) are incorrect and, had your application been correct, we would not have accepted your application for a product(s)



- you commit a material breach of these terms and conditions or any other documents that apply to your product(s) or the Service
- allowing you to contribute or transfer in would breach legislation or HMRC or FCA regulation

Where we give you notice in advance of our intention to close any product accounts(s), we will do this via email to the address we hold for you.

On the closure date, all remaining investments will be sold and the proceeds deposited in your cash facility for the product account(s) closing. After the deduction of any outstanding charges, the balance of each such cash facility will be paid into your nominated bank account.

## Legal notices

We maintain a conflicts of interest policy and an order execution policy in accordance with all FCA Conduct of Business rules. We can provide details of these policies on request.

## ISA rules

The ISA regulations (Individual Savings Account Regulations 1998 (SI 1998 No. 1870), as amended from time to time) will take precedence over these terms and conditions.

In applying for our ISA, you confirm that you have not breached, and will not breach, the prevailing ISA regulations and subscription levels. This includes any ISAs that you may hold, or intend to open with any other ISA manager.

Other than where allowed by the ISA regulations, in each tax year you may subscribe only to one cash ISA, one stocks and shares ISA, one Innovative Finance ISA and one Lifetime ISA.

Where you make a transfer of current year subscriptions from one type of ISA to another type of ISA, the subscriptions are treated as if they were made to the receiving ISA so you can subscribe to another ISA of the same type as the one from which you transferred. This is subject to the overall subscription limits as set out in the ISA regulations.

To be eligible to make subscriptions to our ISA you must:

- be an individual;
- be aged 18 or over;
- be resident and ordinarily resident in the United Kingdom 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;
- not have subscribed to another ISA of the same type in that tax year except in certain circumstances prescribed by the ISA regulations
- not have exceeded the overall ISA subscription limit

If you make subscriptions in excess of the current ISA subscription limits, as set out in the ISA regulations or in excess of your additional permitted subscription allowance or if we are so instructed by HMRC, we will refund excess subscriptions to you.

You agree to inform us as soon as reasonably practical that you have ceased to be resident in the United Kingdom or otherwise no longer satisfy the residency condition above. In this event you are required to cease subscriptions into your ISA.

The investments in your ISA will be, and must remain in, the beneficial ownership of you and must not be used as security for a loan.

If instructions are given to purchase any investment that does not qualify under the ISA Regulations, and those investments are purchased, we must sell the investment as soon as practicable after we have identified the non-permissible holding. In such circumstances you will have to bear any losses due to price movement.

On notification by HMRC of a breach of ISA Regulations, we will make every effort to repair your ISA within the guidance set out by HMRC. We will confirm the action taken where your ISA has been repaired.

We will notify you if, by reason of any failure to satisfy the provisions of the ISA regulations, your ISA has, or will, become void. If your ISA is voided, we will deduct any cash available to cover any tax we have to pay or repay. If there is insufficient cash in the cash facility to cover your liabilities as a result of the ISA being made void, we reserve the right to sell some or all of your investments to meet these liabilities.

We will also deduct all outstanding charges due to us in respect of your ISA and any expenses reasonably incurred in termination of the ISA will also be deducted.

### Your Protection

We treat you as a 'Retail Client' under FCA rules which provides the highest level of regulatory protection available.

We act in the role of ISA Manager for all types of ISAs purchased through us. We are an HMRC approved ISA manager and will operate your ISA in accordance with the ISA regulations. Our registered plan manager number is Z1988.

We will satisfy ourselves that any person to whom we delegate any functions or responsibilities under these terms and conditions is competent to carry out those functions and responsibilities.

You may be eligible for compensation from the Financial Services Compensation Scheme (the "FSCS") in certain circumstances should a bank with whom we deal on your behalf go into default. Your entitlement would depend on the circumstances of the claim. Eligible deposits with a bank are protected up to a total of £85,000 by the FSCS.

In the event that we make a claim under the FSCS in respect of your money on your behalf following the default of a bank, you authorise us to give certain information about you to the FSCS to help it to identify you and any amounts to which you are entitled.

Further details are available from the FSCS whose address is 7th Floor, Lloyds Chambers, Portsoken Street, London, E1 8BN, telephone number 0800 678 1100, email address [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk) and website [www.fscs.org.uk](http://www.fscs.org.uk)

### Timing of ISA payments close to the tax year end

For the purposes of determining the utilisation of your ISA limits, we will treat your contributions as having been made according to the timings below.

Payment / withdrawal method	Treatment for determining when contribution was made for purposes of annual ISA limits
Ad-hoc direct debit (we pull money in)	On the day that the instruction was received, unless the direct debit is delayed by your bank in which case we reserve the right to treat it as the day the money is received by our custodian bank.  le instructions for contributions received on 5 April at any time before midnight will normally be deemed as having been made on 5 April.
Regular direct debit	On the day the money is received by our custodian bank.
Bank transfer (you push money to us)	On the day the money is received by our custodian bank.
Via your employer by deducting it from your pay	On the day the money is received by our custodian bank (which may be different to the day your employer deducts it from your pay).
Debit card	On the day that the instruction was received, unless the transfer of the corresponding cash is rejected or delayed by your bank in which case it will be the day the money is received by our custodian bank.  le instructions for contributions received on 5 April at any time before midnight will be deemed as having been made on 5 April.
Withdrawal from investments	On the day that the instruction was received, unless the transfer of cash is rejected or delayed by your bank (eg because you have closed the bank account) in which case it will be the day the money leaves our custodian bank.
Withdrawal from cash	On the day that the instruction was received, unless the transfer of cash is rejected or delayed by your bank (eg because you have closed the bank account) in which case it will be the day the money leaves our custodian bank.

### ISA transfers

If you instruct us to do so, your ISA shall be transferred to another ISA manager in accordance with the ISA regulations relating to transfers, within the time stipulated by you.

We can specify a minimum period which must not exceed 30 days for the time stipulated by you for us to carry out the transfer to another ISA manager. This period is required to allow us sufficient time to carry out the transfer. You will be informed of this minimum period when you request a transfer.

If your ISA contains units or shares in which trading has been suspended in accordance with the rules of the FCA (or any direct foreign equivalent), the minimum period which is specified by us for transfers and withdrawal requests may be extended to seven days after the suspension ends.

### ISA shareholders information

Upon your request, we will arrange for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of investments that are held directly in your ISA.

If you request it we will also provide you with the information to enable you to:

- attend shareholders', securities holders' or unit holders' meetings;
- vote at shareholders', securities holders' or unit holders' meetings;
- receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders.

We will notify you in writing if there is any charge for making these arrangements.

### Death of an ISA holder

On your death, your ISA ceases to be tax exempt. Subject to the ISA regulations, we will accept additional permitted subscriptions in relation to the surviving spouse of a deceased ISA holder. Please contact us to request additional permitted subscriptions.

On notification of your death, we will continue to hold all investments held in your ISA together with any cash held in the cash facility of your ISA until we receive the formal documentation appointing the legal personal representatives of your estate that is acceptable to us. When we receive this, we will recognise the legal personal representatives of the estate as the persons entitled to provide instructions in relation to the investments.

From the date of your death, any interest on cash deposits and income and growth from investments within your ISA are no longer exempt from tax.

### Junior ISA rules

A JISA Account may only be opened for a Child who is resident in the UK for tax purposes, or who qualifies as a Crown employee or is the spouse or Civil partner or dependent of a Crown employee.

A Child may only have one JISA or Child Trust Fund account at any one time. They must not have a JISA or Child Trust Fund account with any other provider. If they have a JISA account or Child Trust Fund with another provider it may be transferred to us.

A JISA Account must be opened by a Registered Contact who may be the Child if they are aged between 16 and 18. There can only be one Registered Contact at any time and they must either have parental responsibility for the Child, or be the Child. If you wish to change the registered contact you should contact us.

If the child stops being a Crown employee, or the spouse or civil partner or dependent of one, you must tell us right away. If after opening the Account the Child becomes non-resident you may continue to make investments and switch Funds.

No income tax or capital gains tax arises in respect of the Junior ISA. There is no need to declare any gains or income received in the Junior ISA to HMRC and any income generated from parental subscriptions does not count towards the parent's income.

All subscriptions by any party will be deemed to be a gift to the Child and cannot be repaid or refunded to the subscriber at any time. Money may not be withdrawn from the Junior ISA until the Child is 18 except where regulations permit.

At age 18, the JISA will convert to an ISA in the name of the child. At this point these JISA Terms and Conditions will no longer apply and the Child will have the right to withdraw their investments. When the Junior ISA plan value is paid out to the child at the age of 18, the lump sum is free of any tax charge.

The Child is the beneficial owner of the Assets in the Junior ISA and cannot be used as security for a loan. Any assignment of, or agreement to assign, investments in a JISA, and any charge or agreement to charge the investments in a JISA has no standing in law and is ineffective.

### Lifetime ISA rules

This account is available to UK residents aged 18 to 39, or above if transferring from another Lifetime ISA. You can deposit from £1 up to £4,000 each tax year before your 50th birthday.

The government will pay a 25% bonus on your contributions each year. We will claim this bonus from HMRC on your behalf. HMRC will pay the bonus based on the contributions you have made each month within 4-9 weeks of the end of the month. The bonus is paid on all contributions you make before you reach the age of 50.

You can't open a new Lifetime ISA after the age of 40, so you'll need to keep at least £1 in your account after this age if you want to keep your Lifetime ISA benefits.

Withdrawals or account closures will incur a government charge of 25% of the amount withdrawn. This may mean you get back less than you paid in.

You can withdraw without charge if:

- You use your Lifetime ISA to buy your first home, subject to the qualifying criteria below
- You've reached the age of 60
- You are diagnosed with a terminal illness.

When buying your first home, the qualifying criteria to withdraw without charge are:

- You have held your Lifetime ISA for at least 12 months
- The property must be your first home and its value must not exceed £450,000
- If you are buying with someone else, you can both use a Lifetime ISA as long as neither of you has owned a property previously
- 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
- You must occupy the property as your main residence immediately on completion, or if you or your spouse/civil partner are a UK Crown employee serving overseas, you must intend to in future.

You can make more than one charge-free withdrawal and there's no minimum withdrawal amount. For example, you may phase your withdrawals during your house purchase.

When you come to buy, you'll need to tell your conveyancer you want to use part or all of your Lifetime ISA towards the purchase and provide them with a declaration.

Your conveyancer also has to provide us with a declaration. It is your responsibility to ensure this is provided, but your conveyancer should do this as part of the buying process.

Once we receive the appropriate paperwork from your conveyancer we'll pay the amount requested to the conveyancer within 30 days without applying the government withdrawal charge.

If the purchase doesn't complete within 90 days of the withdrawal, your conveyancer must notify us and return the amount withdrawn your Lifetime ISA.

### Tax law

Current tax laws and HMRC rules are subject to change in the future and may reduce the tax benefits of your products.

### Conflicts of interest

Our impartiality is a fundamental part of our offering to you. We aim to identify and eliminate conflicts of interest wherever possible.

For example, to ensure our impartiality, we do not accept commission or any other payments from third parties.

### Tellafriend referral scheme

When you buy an investment you may be given a personal link as part of our tellafriend referral scheme. If anyone else invests via this link we will make a donation to charity, or send you and your friend a small gift, or offer some other benefit, subject to the terms below.

We may change the offer from time to time. You may check the current offer from the home page of your account. We will provide only one charity donation or gift per friend who invests, irrespective of the number of investments the friend makes.

We reserve the right to not provide a charity donation or gift if it is uneconomic for us to do so. For example, if your friend cancels their investment, or invests a very small amount, or chooses an investment on which our charges are lower than usual (eg due to another promotion).

We make charity donations in bulk rather than individually and they are not processed immediately.

We reserve the right to withdraw this scheme or to cancel your personal link in future.

### Exclusions of liability

We will use reasonable endeavours to ensure that the content of our website and any other communication to you (such as SmarterCare alerts) is accurate. We will also endeavour to correct any errors or omissions as soon as practicable after being notified of them. However, we are not responsible for any loss caused by inaccuracies in website content or other communications.

We are not liable for any loss, distress or inconvenience caused by the performance of any investments. The value of investments can go down as well as up and you could get back less than you invest. The past is not a guide to future performance.

We provide financial projections for your investment under the terms set out in the section below. We are not liable for any loss, distress or inconvenience caused when the actual returns on your investments are different to the projections.

We do not guarantee 100% uptime for our website. We are not liable for losses caused by a lack of availability or delays in our service due to factors outside our reasonable control. In order to execute your instructions we are dependent on 3<sup>rd</sup> parties including your employer, your bank, our custodian, and fund managers. We are not liable (in contract, tort or otherwise) for any losses caused by 3<sup>rd</sup> parties failing to meet their obligations to you or to us.

We are not liable to you for any charges, costs, expenses, taxes, levies or other liability of whatever description that you incur as a result of us properly executing an instruction from you (or which we, acting in good faith, believe to be from you), or by us exercising our rights properly under these terms and conditions.

You are responsible for any loss or liability (including any tax and reasonable expenses) that we, or our nominee company, suffer as a result of you deliberately breaking these terms and conditions or providing us with untrue or inaccurate information, other than losses or liabilities caused as a result of our wilful act, negligence, fraud or breach of the FCA rules or breach of contract.

### Financial projections

We will provide you with financial projections for the purpose of comparing investments and informing your financial plans. These projections shall:

- Illustrate a likely range of outcomes based on the balance of probability
- Be prepared using well recognised actuarial techniques
- Be based on reasonable assumptions supported by objective data
- Incorporate the full impact of all charges

The projections we provide are based on the balance of probability and the actual returns on your investments will usually be different. The “bad case” projection is not a “worse case” and there is a 1 in 6 chance that the actual returns on your investments will be worse than the “bad case” projection.

We are not liable for any loss, distress or inconvenience caused when the actual returns on your investments are different to the projections.

### Your cancellation rights

You have the right to cancel investment applications within 14 days of receiving your confirmation notice from us. You can do this via your account.

### Changes to terms and conditions

We will notify you by email at least 30 days before making material changes to these terms and conditions. Terms are likely to change:



- if we introduce a new service or
- if we replace or make reasonable changes to the way we provide an existing service or
- when there is a regulatory change or
- to make the terms easier to understand or
- to remedy manifest errors.

Incidental changes, such as clarity, drafting and typographical amendments, are made immediately and will be notified via updates to the Terms & Conditions published on our website.

We retain the right to transfer some or all of our rights and obligations under these Terms & Conditions to one or more 3<sup>rd</sup> parties who hold any necessary regulatory permissions and are capable of fulfilling the obligations. We will inform you in writing if we intend to transfer some or all of our rights and obligations. For the avoidance of doubt, we remain liable for the actions of any 3<sup>rd</sup> parties who we use to help deliver our service to you.

You may not transfer your rights and obligations to anyone else unless we agree to the transfer in writing. These Terms & Conditions do not give rights to any third parties and no third party shall be entitled to enforce any of these Terms & Conditions.

### Responsibility for security

We will not be liable for any loss suffered by you as a result of a security breach except to the extent required by law, the FCA rules and any agreement we may have with your employer. You are responsible for all use of the site that is authenticated using your user name and password, whether or not the use is made by you or by someone else.

You are responsible for protecting and securing your user name and password from unauthorised use. This includes securing the computer you use to access the site against viruses and other malicious programs.

If you believe there has been a breach of security you must immediately reset your password and notify us via email to [customerservice@smarterly.co.uk](mailto:customerservice@smarterly.co.uk).

### Responsibility for ISA rule compliance

You are responsible for ensuring that you comply with the rules in relation to all types of ISAs you hold with us including Cash ISAs, Stocks & Shares ISAs, Lifetime ISAs and Junior ISAs.

We maintain records of the ISA allowances you have used with us, but we do not know about any ISA allowances that you have used with other providers.

We will not be liable for any loss suffered by you as a result of exceeding the ISA allowances, or other non-compliance ISA rules

### Residency

For individuals we will only accept business from individuals who are habitually resident in the UK or where we are otherwise able to meet our UK regulatory obligations including identity verification and anti-money laundering checks.

We cannot accept an application for business from any citizen or taxpayer of the USA except for certain types of products which are exempt from FATCA rules.

You must notify us without undue delay of any change in your residency, tax status, citizenship or domicile.

On a change of residency, we reserve the right to limit your ability to open a new product, make additional contributions, buy/sell investments and make withdrawals.

We may be required by the terms of an investment or applicable laws or regulations to dispose of investments you hold due to a change in your residence, and we reserve the right to do this without reference to you.

If you need more information about how taxation, residency and related regulations may apply to your circumstances, please speak to a professional adviser.

### Financial Services Compensation Scheme

In the event that we or a third party we use are unable to meet commitments to you, your investment may be protected by the Financial Services Compensation Scheme. Further information can be found from the scheme's website.

### Risk classifications

We classify the risk of investment funds and portfolios according to the following criteria. These thresholds are based on guidance from the Committee of European Securities Regulators ("CESR"). Volatility means the expected future annual standard deviation of returns and is calculated based on a proprietary methodology which may change from time to time:

Risk / return category	Volatility threshold
Very low risk/return	Not applicable - cash deposit account
Low risk/return	<5%
Medium risk/return	>5% and <=10%
High risk/return	>10% and <=15%
Very high risk/return	>15% and <= 22%
Exceptionally high risk/return	>22%

### SmarterCare service

By choosing SmarterCare you are requesting that we inform you if particular pre-defined events occur. You acknowledge that you understand this is not advice and we are not recommending a particular course of action.

You agree to retain full responsibility for any action (or inaction) you take as a result of these alerts (or lack of alerts), bearing in mind that in some circumstances the most obvious course of action may not be right for you.

Our SmarterCare service will perform a daily review of each of your investments. The scope of this review is shown in the table below.

The result of each daily review will be available by logging into your account on our website, and in certain circumstances we will send you an email and SMS alert.

Please note that SmarterCare does not apply to Cash ISAs.

Note that if you transfer an investment to us from another provider it is possible that it will contain funds that SmarterCare cannot cover. If this happens we will alert you and you will have the opportunity to switch to another investment from our comparison tables (there is no charge for switching).

Review area	Activity	Email and SMS alert will be generated if										
Projected returns	We will compare the projected returns on your investment to alternative investments in our comparison tables.	Alternative investments are identified with most likely projected returns >0.2% higher than your current investment and with the same level of risk.										
Charges	We will compare the total charges on your investment to alternative investments in our comparison tables.	Alternative investments are identified with >0.2% lower charges and >0.2% higher most likely projected returns than your current investment and with the same level of risk.  (This means we will not alert you to lower charge investments unless they also have higher projected returns.)										
Performance	We will calculate the return on your investment over the last rolling 1-month period.	Your investment has incurred losses of more than a certain percentage over the last month. The percentage loss that triggers an alert varies depending on the level of risk/return you have selected:  <table border="0"> <thead> <tr> <th><u>Risk/return</u></th> <th><u>% loss over last month</u></th> </tr> </thead> <tbody> <tr> <td>Very high</td> <td>&gt;12%</td> </tr> <tr> <td>High</td> <td>&gt;8%</td> </tr> <tr> <td>Medium</td> <td>&gt;6%</td> </tr> <tr> <td>Low</td> <td>&gt;1%</td> </tr> </tbody> </table>	<u>Risk/return</u>	<u>% loss over last month</u>	Very high	>12%	High	>8%	Medium	>6%	Low	>1%
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Targets	We will assess whether your investment is still on track to achieve the target you have specified (eg £10,000 by 1 Jan 2025).	There is a 60% or greater probability that your investment will not achieve your target										

Risk / return	<p>We will perform a “bad case” projection for the value of your investment on your target date and check it against the “bad case” when you last confirmed your risk/return selection or changed your target.</p>	<p>The “bad case” projected value of your investment on your target date has fallen substantially, compared to when you last confirmed your risk/return selection or changed your target.</p> <p>The threshold worsening in “bad case” for an alert to be generated varies depending on the level of risk/return you have selected as follows:</p> <table data-bbox="794 667 1369 878"> <thead> <tr> <th><u>Risk/return</u></th> <th><u>Worsening in “bad case” that triggers an alert</u></th> </tr> </thead> <tbody> <tr> <td>Very high</td> <td>&gt;12%</td> </tr> <tr> <td>High</td> <td>&gt;8%</td> </tr> <tr> <td>Medium</td> <td>&gt;6%</td> </tr> <tr> <td>Low</td> <td>&gt;1%</td> </tr> </tbody> </table> <p>One month’s direct debit (if applicable) is also added to the threshold, to avoid false alerts due to the exact timing of your direct debit.</p>	<u>Risk/return</u>	<u>Worsening in “bad case” that triggers an alert</u>	Very high	>12%	High	>8%	Medium	>6%	Low	>1%
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	<p>We will assess the current overall risk / return category of your investment (as defined above).</p>	<p>Market conditions are unusually volatile meaning your investments have a higher level of risk/return than you originally selected.</p> <p>OR...</p> <p>Market conditions are unusually stable meaning your investments have a lower level of risk/return than you originally selected.</p> <p>OR...</p> <p>The mix of your investments has drifted over time meaning they have a higher level of risk/return than you originally selected.</p> <p>OR...</p> <p>The mix of your investments has drifted over time meaning they have a lower level of risk/return than you originally selected.</p>										
	<p>We will check how long it is since you last confirmed your risk / return selection.</p>	<p>You have not confirmed your risk/return selection for more than two years</p>										



## SmarterCare status descriptions

We want to make it easy to understand the status of your investments so plain English descriptions are provided for certain aspects of each daily review. The terminology used in these descriptions is determined programmatically based on the following definitions:

Review area	Terminology used and corresponding definitions																																															
Projected returns	None																																															
Charges	None																																															
Performance	<p>Example statement: “Returns over the last month have been 2.4% which is <i>reasonable</i> for a medium risk/return investment.”</p> <p>The description of returns (“reasonable” in the example above) depends on the risk/return category of the investment and is defined as follows:</p> <table border="1"> <thead> <tr> <th><u>Investment risk/return category</u></th> <th><u>Description</u></th> <th><u>Means returns have been</u></th> </tr> </thead> <tbody> <tr> <td rowspan="5">Very high</td> <td>“Very poor”</td> <td>&lt;= -12.0%</td> </tr> <tr> <td>“Poor”</td> <td>&lt;= 0.0%</td> </tr> <tr> <td>“Reasonable”</td> <td>&lt;= 4.0%</td> </tr> <tr> <td>“Good”</td> <td>&lt;= 9.0%</td> </tr> <tr> <td>“Excellent”</td> <td>&gt; 9.0%</td> </tr> <tr> <td rowspan="5">High</td> <td>“Very poor”</td> <td>&lt;= -8.0%</td> </tr> <tr> <td>“Poor”</td> <td>&lt;= 0.0%</td> </tr> <tr> <td>“Reasonable”</td> <td>&lt;= 3.0%</td> </tr> <tr> <td>“Good”</td> <td>&lt;= 6.0%</td> </tr> <tr> <td>“Excellent”</td> <td>&gt; 6.0%</td> </tr> <tr> <td rowspan="5">Medium</td> <td>“Very poor”</td> <td>&lt;= -6.0%</td> </tr> <tr> <td>“Poor”</td> <td>&lt;= 0.0%</td> </tr> <tr> <td>“Reasonable”</td> <td>&lt;= 2.0%</td> </tr> <tr> <td>“Good”</td> <td>&lt;= 4.0%</td> </tr> <tr> <td>“Excellent”</td> <td>&gt; 4.0%</td> </tr> <tr> <td rowspan="5">Low</td> <td>“Very poor”</td> <td>&lt;= -1.0%</td> </tr> <tr> <td>“Poor”</td> <td>&lt;= 0.0%</td> </tr> <tr> <td>“Reasonable”</td> <td>&lt;= 0.5%</td> </tr> <tr> <td>“Good”</td> <td>&lt;= 1.0%</td> </tr> <tr> <td>“Excellent”</td> <td>&gt; 1.0%</td> </tr> </tbody> </table>	<u>Investment risk/return category</u>	<u>Description</u>	<u>Means returns have been</u>	Very high	“Very poor”	<= -12.0%	“Poor”	<= 0.0%	“Reasonable”	<= 4.0%	“Good”	<= 9.0%	“Excellent”	> 9.0%	High	“Very poor”	<= -8.0%	“Poor”	<= 0.0%	“Reasonable”	<= 3.0%	“Good”	<= 6.0%	“Excellent”	> 6.0%	Medium	“Very poor”	<= -6.0%	“Poor”	<= 0.0%	“Reasonable”	<= 2.0%	“Good”	<= 4.0%	“Excellent”	> 4.0%	Low	“Very poor”	<= -1.0%	“Poor”	<= 0.0%	“Reasonable”	<= 0.5%	“Good”	<= 1.0%	“Excellent”	> 1.0%
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Targets	Example statement: “By June 2020 your investment is projected to be worth £9,578. Taking into account the variability in future returns,																																															

	<p>this is <i>sufficiently close to the target</i> of £19,900 that SmarterCare has not generated an alert.”</p> <p>The description of achievability of the target (“sufficiently close” in the example above) depends on how likely we calculate it is that the target will be met:</p> <table border="0"> <thead> <tr> <th data-bbox="336 506 491 539"><u>Description</u></th> <th data-bbox="970 506 1294 573"><u>Means the probability of achieving the target is</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="336 607 927 674">“well above its current target ... likely to be met easily”</td> <td data-bbox="970 607 1198 640">&gt;= 5 in 6 (ie 83%)</td> </tr> <tr> <td data-bbox="336 712 927 745">“above its current target ... likely to be met”</td> <td data-bbox="970 712 1198 745">&gt;= 3 in 5 (ie 60%)</td> </tr> <tr> <td data-bbox="336 786 775 819">“sufficiently close to the target”</td> <td data-bbox="970 786 1198 819">&gt;= 2 in 5 (ie 40%)</td> </tr> <tr> <td data-bbox="336 860 911 927">“below its current target ... possible that it will not be met”</td> <td data-bbox="970 860 1198 893">&gt;= 1 in 6 (ie 17%)</td> </tr> <tr> <td data-bbox="336 967 879 1034">“well below its current target ... unlikely that it will be met”</td> <td data-bbox="970 967 1182 1001">&lt; 1 in 6 (ie 17%)</td> </tr> </tbody> </table>	<u>Description</u>	<u>Means the probability of achieving the target is</u>	“well above its current target ... likely to be met easily”	>= 5 in 6 (ie 83%)	“above its current target ... likely to be met”	>= 3 in 5 (ie 60%)	“sufficiently close to the target”	>= 2 in 5 (ie 40%)	“below its current target ... possible that it will not be met”	>= 1 in 6 (ie 17%)	“well below its current target ... unlikely that it will be met”	< 1 in 6 (ie 17%)
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Risk / return	<p>Example statement: “The risk/return classification of your investment has increased from <i>low risk/return</i> to <i>medium risk/return</i> and the <i>bad case</i> for its value by June 2020 is £7,132.</p> <p>The risk/return classifications (“low risk/return” and “medium risk return” in the example above) are consistent with the definitions described in the Risk Classifications section of these T&amp;Cs.</p> <p>The definition of “bad case” is consistent with the definition described in the Projections section of these T&amp;Cs.</p>												

### Information taken as given for instructions

We aim to make it as simple as possible for you to provide instructions to us. This means that we take certain information as given when you issue instructions. By sending an instruction via us, you confirm that the following information taken as given is accurate:

Instruction	Information you provide explicitly	Information we take as given
Buy a new investment	Total amount to invest	All fund income should be retained and reinvested in the fund.
Invest additional money into your investment	Total amount to invest	The amount should be allocated to your funds in the same proportions as your original investment.
Transfer an investment from another provider to us	The account / plan number for the investment to be transferred.  For non-TeX transfers, a list of the funds and current unit holdings to be transferred.	To transfer the whole of the investment by instructing your existing provider to encash it and transfer the proceeds to us where they will then be invested in the funds you select when you make the transfer.  That all fund income should be retained and reinvested in the fund.
Create or cancel a direct debit into your investment	Total amount of direct debit  The details of your bank account	The direct debit amount should be allocated to your funds in the same proportions as your original investment
Contribute to your investment via your employer	The amount to invest out of your pay (net of tax) which may be a lump sum or a regular amount	That your employer should make payments to Cofunds on your behalf (and deduct the corresponding amount from your pay).  That those payments should be allocated to your funds in the same proportions as your original investment.
Change your nominated bank account details	The details of your bank account	That all direct debits for all investments should be updated to use the new bank account details
Switch your investment	The investment that you want to switch out of (the “old investment”).  The investment that you want to switch into (the “new investment”).	You wish to switch out of all the funds in your old investment into the fund allocations of the new investment.  Any direct debits set up on the old investment should also be reallocated to the fund allocations of the new investment.



		<p>Where a particular fund happens to be common to both investments, only the net difference in units should be switched in/out of that fund.</p> <p>All fund income should be retained and reinvested.</p>
Withdraw money from your investment	Total amount to withdraw	<p>The amount should be taken from your funds pro-rata to their valuations at the time of making the withdrawal.</p> <p>If the total amount to withdraw is equal to the value of the investment, you wish to close that investment completely and cancel any direct debits.</p>

## Complaints

We hope you don't need to complain, but if you do then we will do everything we reasonably can to address your concern. Please send an email detailing your complaint to [customerservice@smarterinvestment.co.uk](mailto:customerservice@smarterinvestment.co.uk).

We will aim to acknowledge your complaint on the same day it is received. Depending on the nature of your complaint, we might be able to address it straight away or we might need a bit more time to gather all the relevant information. Please bear with us.

When we've got all the information we need we will email you a response. If you're happy with the response then you don't need to do anything else.

If we don't hear back from you within two weeks then we'll assume you're happy and send you another email confirming that we consider your complaint closed.

If you're not happy with our response then tell us why and we'll look at it again. We will always provide a final response within eight weeks of receiving the original complaint.

If you're not happy with this final response then you can take your complaint to the Financial Ombudsman Service.

## Law

These Terms & Conditions will be governed by and construed in accordance with English law. There is no minimum duration for the contract.