

# Key Features Document

## Tax-Free Savings with the Cheshire

### Important information for the tax year 2011/2012

The Financial Services Authority is the independent financial services regulator. It requires us, Cheshire Building Society, a trading division of Nationwide Building Society, to give you this important information to help you to decide whether our ISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Information correct as at 22 November 2011

### Key Product Features of Cheshire's Cash ISAs

Summary Box Key Product Information for our Savings Account(s)											
Account Name	<b>1 Year Fixed Rate Cash ISA (Issue 26)</b>										
Interest Rates (AERs)	<table border="1"> <thead> <tr> <th></th> <th>AER tax-free</th> </tr> </thead> <tbody> <tr> <td>£50,000+</td> <td>3.10%</td> </tr> <tr> <td>£25,000-£49,999</td> <td>3.00%</td> </tr> <tr> <td>£10,000-£24,999</td> <td>2.90%</td> </tr> <tr> <td>£100-£9,999</td> <td>2.85%</td> </tr> </tbody> </table> <p>The interest rate is fixed for 1 year</p>		AER tax-free	£50,000+	3.10%	£25,000-£49,999	3.00%	£10,000-£24,999	2.90%	£100-£9,999	2.85%
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Investment Limits	£100 to the current cash ISA subscription limit per tax year										
Tax Status	Interest is paid tax free. Tax rules may change										
Conditions for Bonus Payments	There is no bonus available on this account										
Withdrawal Arrangements	Part withdrawals are not allowed. Early closure will result in a 60 day loss of interest										
Access	By Post or Branch										

Summary Box Key Product Information for our Savings Account(s)					
Account Name	<b>Instant Access Cash ISA (Issue 3)</b>				
Interest Rates (AERs)	<table border="1"> <thead> <tr> <th></th> <th>AER tax-free</th> </tr> </thead> <tbody> <tr> <td>£1+</td> <td>0.50%</td> </tr> </tbody> </table> <p>The interest rate is variable</p>		AER tax-free	£1+	0.50%
	AER tax-free				
£1+	0.50%				
Investments limits	£1 to the current cash ISA subscription limit per tax year				
Tax Status	Interest is paid tax free. Tax rules may change				
Conditions for Bonus Payments	There is no bonus available on this account				
Withdrawal Arrangements	Withdrawals can be made at any time, without penalty, subject to the Cheshire's withdrawals policy				
Access	By Post or Branch				

- Once the 1 Year Fixed Rate Cash ISA is opened there can be no further deposits made to the account, even if you have not used your full current tax year Cash ISA allowance.
- Interest is paid on maturity and will be added back to the ISA.
- The ISA will mature 1 Year from the date of opening. Before your investment matures, we will write to you with your reinvestment options.
- The 1 Year Fixed Rate ISA can be closed within the first 14 days without penalty. Otherwise, the account can be closed or transferred to another provider at any time prior to maturity, subject to a charge equivalent to 60 days' interest calculated at the fixed rate. If the interest charge is greater than the interest accrued on the account then we will take money from the capital balance.
- An interest charge on closure or transfer will mean that the stated interest rate will not be achieved.
- The interest rate is variable and guaranteed not to be less than 2% below the Bank of England Base Rate.
- You can pay in a lump sum or make regular savings up to the full current tax year Cash ISA allowance.
- Interest is paid annually on 31 December and can be added back to the ISA, paid to another Cheshire account or another bank or building society.
- We do not charge you for withdrawals from the account or for transfers to another provider.

## What is a Cash ISA?

A Cash ISA is your own personal tax-free shelter for your money. The Government currently sets an allowance of £5,340 that you can save in a Cash ISA each tax year (6 April – 5 April).

Once you have fully subscribed your tax-free allowance in a tax year, any amount withdrawn cannot be reinvested until the following tax year.

You can transfer previous tax years' subscriptions into a current Cash ISA with the Cheshire and take advantage of our great rates.

ISAs come in two types, Cash ISAs and Stocks and Shares ISAs, and there are rules surrounding how much you can invest in each. We offer a choice of three tax-free<sup>2</sup> Cash ISAs and a Stocks and Shares ISA. To discuss your options available, we recommend you talk to a Nationwide Senior Financial Consultant, who can provide you with financial help and advice. Please contact your local branch or call our Customer Contact Centre for further information.

The favourable tax treatment of ISAs is set by the Government and may change in the future.

## Who can have a Cash ISA?

- Cash ISAs are available to anyone aged 16 years or over, provided you are a UK resident and ordinarily resident for tax purposes. (Or be performing duties as a Crown employee serving overseas e.g. in the armed forces or a diplomat, or be married to, or in a civil partnership with, such a person.)
- You must not have subscribed to another Cash ISA in the current tax year.
- You must not have exceeded the overall ISA subscription limit.
- Joint ISAs are not permitted.

## Deposit-based stakeholder standards

A set of standards have been laid down by HM Treasury for deposit-based stakeholder products where the minimum initial investment must be less than £10, the interest rate is specifically linked to the Bank of England base rate and access to your savings must be instant. Our Instant Access Cash ISA currently meets these standards, but our 1 Year Fixed Rate Cash ISA does not. Further details on ISAs are available from HM Revenue & Customs, [www.hmrc.gov.uk](http://www.hmrc.gov.uk) Details of other products in our range are available on request through our Customer Contact Centre on 0845 755 0555 or online at [www.thecheshire.co.uk](http://www.thecheshire.co.uk)

## Cash ISA transfers

- If you would like to transfer an existing Cash ISA to the Cheshire, please ask in one of your local branches for a transfer form or call us on 0845 755 0555
- We charge no fees to move an ISA to us, but be aware that your existing provider may charge you for making a transfer to us. Any charges, taxes, or costs imposed by your existing provider are not paid by the Cheshire.
- When transferring an existing cash ISA to us, the rate you receive will be the prevailing rate at the time we receive your application.

- Please allow 15 business days for the full process to be completed. Please note, you are not required to contact your current provider to let them know you wish to transfer your ISA to us, we'll do that for you. We will contact you if we require any additional information or have any queries. The account interest will be backdated to the date we received your ISA transfer application provided that your funds are free to move and not subject to any notice period.

- For a cash ISA, subject to any restrictions on paying money in and withdrawals (see account specific conditions for further information):

- (a) If you wish to transfer all or part of your ISA to another cash ISA manager, we will send the funds and accompanying information to the new manager within 5 business days of the date of receipt of a transfer instruction from the new manager.
- (b) If you wish to transfer all or part of a cash ISA you hold with another ISA manager to us:

On receipt of a transfer instruction from you, we will send it to the other manager together with a confirmation that we will accept the transfer within 5 business days of the date of receipt, and

On receipt of the funds and accompanying information from the other manager, we will credit the funds to the account within 3 business days of the date of receipt.

- For a Stocks and Shares ISA, subject to any restrictions on withdrawal (see account specific conditions for further Information), if you wish to transfer all or part of your ISA to another ISA Manager we will transfer the account within the time stipulated by you or within 30 days of receiving the request from your new provider, whichever is the longer.

## Important information about Cash ISAs

- If the provisions of the ISA regulations are not met in opening and operating the account, it will become void. If this should happen, we will notify you of this fact as soon as we become aware of it. The invested funds will be returned to you and any interest earned will be subject to a deduction of income tax at 20%. If you are a higher rate tax payer you will have to pay additional tax on the interest to cover the difference between the tax deducted and the higher rate due.
- ISA investments will be, and must remain in, the beneficial ownership of the investor and not be used for security for a loan.
- If you decide that the Cheshire ISA you have chosen does not suit your needs once you have opened it, you can close the account within 14 days without penalty. If you close the ISA within the 14-day period, you can subscribe your tax-free allowance to another ISA. If it is after the 14-day period, the HM Revenue & Customs rules say that you cannot open another ISA of the same type in the current tax year.
- Be aware that all the payments you make into a Cash ISA count towards your ISA tax-free allowance. This means that if you subscribe the full allowance, then take money out of your ISA, you cannot pay it back in until the new tax year. This means a Cash ISA may not be suitable for you to use as an everyday account where you are expecting to make a number of withdrawals and deposits. Talk to one of our advisors if you are unsure which of our accounts best suits your needs.

Visit [thecheshire.co.uk/isa](http://thecheshire.co.uk/isa) for our latest rates

<sup>1</sup>'AER' stands for Annual Equivalent Rate and illustrates what the interest rate would be if it was paid and compounded once each year.  
<sup>2</sup>'tax-free' rate is the contractual rate of interest payable where interest is exempt from income tax.  
Lines open 8am-7pm weekdays, 9am-1pm Saturdays.

Cheshire Building Society - Savings & Investment Team, PO Box 29216, Dunfermline, KY12 2BZ.

Cheshire Building Society is a trading division of Nationwide Building Society which is authorised and regulated by the Financial Services Authority under registration number 106078. Credit facilities other than regulated mortgages are not regulated by the Financial Services Authority. Head Office: Nationwide House, Pipers Way, Swindon, Wiltshire SN38 1NW.