

Scottish Widows Platform

Key Features of the Scottish Widows
Individual Savings Account



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Please read this document carefully so you fully understand the implications of any financial decisions, and keep it safe for future reference. It may also help to refer to our online **glossary** for explanations of technical or unfamiliar terms.

Scottish Widows Platform is a trading name of Embark Investment Services Limited (EISL) which is a wholly owned subsidiary of Embark Group, a company incorporated in England and Wales (company number 09955930). Embark Investment Services Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 737356). The Financial Conduct Authority is a financial services regulator. It requires us (Scottish Widows Platform) to give you this important information to help you to decide whether our Individual Savings Account (ISA) is right for you.

Scottish Widows Platform does not offer financial advice and we always recommend you seek independent financial advice before making any investment decisions. If you don't currently have a financial adviser, you can find one at **unbiased.co.uk**.

If you have any questions or there is anything you do not understand, please speak with your financial adviser.



Its aims

The Scottish Widows Individual Savings Account (ISA), the 'Account', is a stocks and shares ISA product provided by Embark Investment Services Limited, trading as Scottish Widows Platform. Unless otherwise agreed with us, it is only available to you through a financial adviser.

The Account provides access to a wide range of investments that have the potential to provide capital growth and income, with favourable tax allowances. The value of these investments, can go down as well as up and you may get back less than you originally invested. Your financial adviser will help you to decide if this product is right for you.

What does the ISA do for you?

The ISA gives you the potential for capital growth, or income, or a combination of both.

You achieve this by investing. You and your financial adviser can choose which investments are right for you, based on your needs and attitude to risk.

The ISA allows you to choose from a wide range of investments.

You will benefit from favourable tax advantages offered by the Government on your savings and the income from it.

You can take money out at any time on a regular or one-off basis, or a combination of both.

Your commitment

What do we need you to do?

Take time to read the information in this document about the Account, including its features and risks, and any other documentation we provide either directly or through your financial adviser.

Make sure we have up-to-date information about you. For example, if you move house or you change your bank account or change your country of tax residence.

Keep an ongoing relationship with a financial adviser who has an appropriate agreement with us. They will provide you with advice and take responsibility for setting up and administering the Account on your behalf.

You should review the investments held in your Account on a regular basis and speak with your financial adviser about their performance, taking into account your financial goals

and risk profile. You should consider getting advice whenever your circumstances change and before you take money out of your Account.

Make sure you maintain an email address with us that you regularly access. We will use this address to contact you about documentation that is available to view in your Document Library (refer to Managing Your Account for more information).

Agree with your financial adviser how you will pay them, or their associates, for their services to you. This will be the adviser charge. You can authorise us to deduct the adviser charge from your Account and pay it to them. If applicable we will also deduct your discretionary investment manager's charge and pay it to them.

Ensure you do not pay in more than the HM Revenue and Customs (HMRC) annual limit to all your stocks and shares ISA in the tax year.



Risks

What could go wrong?

The value of your Account depends on the performance of the investments you and your financial adviser choose to invest in. The value of these investments, and therefore your Account, can go down as well as up and you may get back less than you originally invested.

The level of risk and potential investment performance depends on the investments you invest in. Past performance is no guide or guarantee of how your investments will perform in the future.

Many of the investments available to you are intended as medium to long term commitments, meaning you should usually plan to hold them for five years or more. If you take money out early, you may not get back the full amount you invested.

Investments in property funds can be difficult to sell. You might not be able to sell them when you want. The valuation of property is also a matter of opinion rather than fact.

When you want to buy or sell shares there may not be a market for the shares you are interested in.

If you opt to cancel your Account after making a subscription or transfer from another provider within the cancellation period, you could get back less than you invested. If you cancel a transfer from another provider to us, the other provider may refuse to accept the return of the transfer money. Should this happen, it is recommended you discuss the options you have with your financial adviser.

Any charges we apply to your Account will affect the value of your Account. These charges may vary from time to time. You can find more information about our charges and how we apply them in the Scottish Widows Client Charges Guide. When a charge is applied to your Account you will receive confirmation details in the Charges Information Document that we issue.

If you decide to leave your financial adviser and do not appoint a new one, your options to manage the Account may become restricted. This could lead to poor financial outcomes. More details are available in our Client Terms & Conditions.

If we cannot take charges or other payments from your Account due to insufficient cash, we may need to sell investments to meet the outstanding charges. This could be from an investment you would not choose to disinvest from and could lead to a tax liability.

If you are transferring from a cash ISA you should be aware of the increased risks of investing in a stocks and shares ISA.

Over time, inflation will reduce the buying power of the money you have saved. For example, if inflation is 2% p.a., then in 20 years' time £10,000 will only buy the equivalent of what £6,729 buys today.

Applicable law and tax rules that affect ISAs may change in the future without notice.

In order to obtain better interest rates, we may place money in a 95-day notice account, or on deposit for fixed terms of up to 95 days. Account holders' cash holdings are segregated in accordance with the FCA rules and deposited in one or more pooled bank accounts. If account holders decide to withdraw all of their cash at the same time, either to buy assets or take a withdrawal, there could be a delay of up to 95 days in us being able to access the cash holdings.



Questions & answers

Who can invest?

To open an Account with us you must:

- be aged 18 years or over;
- be resident in the UK for tax purposes;
- not be a citizen or resident of the United States;
- not have exceeded the ISA subscription limit for the current tax year.

Is this the right option for me?

The Account may be right if you:

- want potentially higher returns on your savings than in a regular bank or building society account;
- are comfortable investing in investments that do not give a guaranteed rate of return and could put your capital at risk;
- want to invest through mutual funds or equities directly or a combination of both;
- want a tax efficient way of saving;
- want a discretionary investment manager to help manage investments in your Account;
- are prepared to maintain an ongoing relationship with a financial adviser who has an appropriate agreement with us.

Your financial adviser will help you to decide whether the Scottish Widows ISA is right for you. They will also help you to understand how applicable tax and regulations could affect your choices.

How do I start saving in a Scottish Widows ISA?

You can start saving in a Scottish Widows ISA once your financial adviser recommends it is the right product for your needs. Once you have agreed to the recommendation, your financial adviser will set up the Account up for you in accordance with the Client Terms & Conditions (these contain the specific ISA terms).

How much can I save in my ISA?

A Scottish Widows ISA can be started with a minimum payment of £50 paid regularly, as a one-off, or as a transfer.

The following types of payments can be made into your Scottish Widows ISA:

- regular payments (monthly, quarterly, half-yearly and yearly);
- one-off payments; and
- a transfer of investments and/or cash from an existing ISA arrangement.

You can make payments in the following way:

- by Direct Debit;
- electronically by Direct Credit (BACS, CHAPS, Faster Payment);
- by cheque.

The Government has set an ISA annual subscription limit that you are not allowed to go over in any one tax year. If you do, you may lose any tax advantages offered by this type of product. You can confirm the current ISA annual subscription limit by contacting your financial adviser or visiting [gov.uk/individual-savings-accounts](https://www.gov.uk/individual-savings-accounts).

The Scottish Widows ISA is a flexible ISA. This means, if you have withdrawn cash from your ISA, any future cash you pay in within the same tax year will be treated as a repayment of a previous withdrawal before it starts to count towards your ISA annual subscription limit.

If you transfer funds from an existing ISA made up only of payments from previous tax years, there is no limit to the amount you can transfer. If you have made payments in the current tax year to an existing ISA, then this part of your ISA must be transferred to your new ISA. Further payments that you make will be deducted from the current ISA Annual subscription limit.

Can I transfer in from other ISAs?

Yes, we will accept transfers from other stocks and shares ISAs, as well as cash ISAs. We currently cannot accept transfers from the Government's Help to Buy, Innovative Finance or the Lifetime ISA. We recommend you speak with your financial adviser to find out which products we can accept.

Your financial adviser should also tell you whether or not transferring is the right option, and the benefits and risks involved.

If you do transfer, we will normally receive the money in one of two ways:

- a cash transfer;
- the re-registration of existing investments.

A re-registration transfer can only happen if your Scottish Widows ISA offers the same type of investments as those held in your existing ISA. Your financial adviser will be able to check this for you.

What are the charges?

The following shows the types of charges that could be applied to your Account depending on the services you choose to buy. Charges are deducted from the Available Cash in your Account. A more detailed description of our charges is available in our Client Terms & Conditions. To find out the actual charges, refer to the Scottish Widows Client Charges Guide and your Charges Information document.

Initial charges, include an:

- initial adviser charge
- regular initial adviser charge.

Ongoing and ad-hoc charges, include an:

- ongoing Scottish Widows Platform charge;
- ongoing adviser charge;
- ongoing discretionary investment manager charge;
- ad-hoc adviser charge;
- manual communication charge;
- applicable Stockbroker Partner charge.

You can agree with your financial adviser for any ongoing charges relating to your Account to be deducted directly from your Scottish Widows GIA, if you have one.

Depending on the type of investments that you chose there will also be charges taken directly on your investments. Your financial adviser will tell you what charges will apply and they will be detailed on your Charges Information Document.

How will I know how my account is doing?

There are several ways you can keep up-to-date with how your Account is performing:

- You can get an up-to-date valuation of the investments in your Account at any time by logging on to your Scottish Widows Account online. You will be required to supply an email address when your financial adviser applies for a Scottish Widows ISA on your behalf. These details will be used to provide you with a secure username and password. You can find out more in the Managing Your Account section.
- We provide you with a statement every three months showing the value of the investments in your Account. The first statement will be issued three months after you open your Account and will be placed in your Document Library.
- You can ask your financial adviser for an up-to-date valuation at any time.

What about tax?

Currently you do not have to pay income or capital gains tax on any investment gains within your ISA. Therefore you do not have to include any information about your Scottish Widows ISA in your tax return.

This information is based on our understanding of current UK law and HMRC practice. Changes to the law or your personal circumstances could affect the amount of tax you pay in the future.

Managing your account

Your Account is set up and managed online by your financial adviser, who should complete all transactions for you. This will include:

- setting up a new subscription or transfer;
- changing the investments you are investing in;
- setting up any adviser charges;
- making withdrawals;
- making any other changes.

When your Account is open, you will be given access to view your Account online. This will allow you to see:

- which investments you are invested in;
- the value of those investments and how they are performing;
- any charges applied;
- any Account literature that we need you to read (placed in your Document Library).

Your adviser can opt to provide you with additional access for managing your account.

What if I leave my financial adviser?

As the Scottish Widows ISA is set up and managed for clients by a financial adviser, it is important that if you leave your existing financial adviser you appoint a new one as soon as possible.

Appointing a new financial adviser could mean there are changes to our platform charges and to the financial adviser charges you pay. You should check these details with your new financial adviser before you proceed.

If you leave your financial adviser and do not appoint a new one, we may restrict some Account features. We also reserve the right to change the Scottish Widows Platform charge. For more information please refer to the appropriate Client Charges Guide.

The Client Terms & Conditions provide more detail on the consequences of leaving your financial adviser.

How do I know where to invest?

This is one of the most important decisions you will make. Your financial adviser will help you to choose your investments. Whether a particular investment is suitable for you will depend on your circumstances, your investment goals and your attitude to risk. Our service is execution only. Therefore we will never advise or instruct you on investing your money.

Each investment you invest in will have specific investment risks associated with it and your financial adviser will tell you what these are.

The range of investments we make available include:

- mutual funds;
- exchange-traded instruments (ETIs) including securities;
- mutual funds and ETIs that make up model portfolios.

You can find out more about these types of investments from your financial adviser or in our Client Terms & Conditions.

What about cash?

Within each Account we offer a cash facility. We do this by providing access to a bank account operated by our banking partner. This bank account is not unique to your Account. It holds amounts of money (for all) Scottish Widows Platform investors centrally.

There are two accounts. One for the Scottish Widows Personal Pension and Scottish Widows Junior Personal Pension and the other for the Scottish Widows ISA, the Scottish Widows JISA, the Scottish Widows GIA and the Scottish Widows Third Party Investment Account (TPIA).

Any money held in the cash facility may be eligible for interest payments. The rate applied will be determined by us and can be found on scottishwidows.co.uk/platform.

What is a disinvestment strategy?

If we are due to take money from your Account to pay our charges or comply with any contractual obligations you have or to facilitate financial adviser charges and there is not enough Available Cash we may automatically disinvest from your investments. This action will raise cash so the charges and costs can be deducted.

Where investments in the Account are held in a model portfolio managed by a discretionary investment manager, and there is insufficient cash available to cover our charges, any financial adviser charges or the discretionary investment manager charges, investments within the model portfolio may be sold to raise cash to cover these.

You can find out more about our disinvestment strategies in the Client Terms & Conditions.

Can I change my investments?

Yes, you should ask your financial adviser to make changes to your investments.

You may ask your financial adviser to:

- buy and sell investments;
- redirect regular payments to different investments.

If you have invested in a model portfolio, the discretionary investment manager may also instruct us to buy and sell investments when necessary to rebalance the model portfolio. This is done to make sure that the overall objective of the portfolio is maintained.

In some instances, there may be restrictions on the sale of investments, for example, if an investment is suspended from trading or where there are restrictions on when an investment can be sold.

What if I move abroad?

It is important that you inform us immediately if it is your intention to move abroad, as you may no longer be eligible to subscribe to your Scottish Widows ISA. You may also want to speak with your financial adviser as the move may affect other savings and investments you hold.

Can I take money out?

Yes, you can instruct your financial adviser to arrange either one-off or regular withdrawals at any time. We do not apply any charges for taking money out of the Account, however, there may be charges involved in selling certain investments.

When you withdraw in any year, the withdrawal comes first from that year's subscription and reduces the subscription amount for that year.

If you withdraw more than the current year's subscription amount, the extra amount is considered a withdrawal from the previous year.

Any money you withdraw from your Scottish Widows ISA may be paid back in during the same tax year and will not count towards your annual subscription limit.

Regular withdrawals

Regular withdrawals can be made either monthly, quarterly, half-yearly or yearly. Such withdrawals must be taken from Available Cash in your Accounts or you must choose the assets to sell to fund them.

You can also stop and re-start regular withdrawals at any time. There is no charge for doing this.

One-off withdrawals

A one-off withdrawal can be made at any time. One-off withdrawals must be taken from Available Cash in your Account. You may need to instruct your financial adviser to sell investments to generate cash for a one-off withdrawal.

Remember, withdrawals will reduce the value of your Account.

What are distribution, dividend and interest payments?

Depending on the type of investments held, you may be eligible to receive a certain type of income payment from an investment. These payments are not guaranteed and can go down as well as up. The different types of income payments are:

- distribution payments;
- dividend payments;
- interest payments.

More information on these payments is available from your financial adviser can be found in our Client Terms & Conditions.

How is investment income paid?

There are three ways investment income can be paid to you:

- immediate withdrawal;
- periodic withdrawal by frequency;
- periodic withdrawal by minimum amount.

You can find out more about each of these methods in our Client Terms & Conditions or by asking your financial adviser.

Any investment income received from mutual funds or ETIs will be marked as 'committed cash' in your Account ahead of the value being paid to your nominated bank account (in line with the income payment instruction).

Investment income derived from any Discretionary Investment Manager model portfolios you hold cannot be used for immediate or periodic withdrawals as the income remains within the model.

Can I transfer my account to another ISA manager?

Yes, your adviser can arrange to transfer the value of your Account to another ISA manager at any time. You can do this either as a cash transfer or by re-registering assets, if the receiving provider can accept the re-registration of your investments.

If using a cash transfer, there will be a period of time between when we sell your investments and when your new ISA manager invests the proceeds from that sale.

You can transfer or re-register:

- the investments bought with all of the subscriptions you have made to your Account in the current tax year;
- some or all of the value of your Account built up from subscriptions made in previous tax years.

If you have withdrawn any money from your Scottish Widows ISA in the current tax year, you may want to repay this amount before you transfer. Withdrawals made from previous years' subscriptions cannot be paid back into the ISA after it has been transferred to another ISA manager.

Can I cash in my account?

Yes, you can ask your financial adviser to sell all investments and arrange a payment to you at any time.

What happens if I die?

In the event of your death, the tax benefits of your ISA will continue until the earliest of:

- The completion of the administration of your estate;
- The closure of the account;
- The third anniversary of your death.

Any interest, dividends or gains in respect of investments in the continuing ISA Account, which arise after your death to the date of closure of the ISA are exempt from tax.

If, after a period of three years, the administration of the estate is ongoing and the Account has not been closed, the Account will cease to benefit from the tax advantages of an ISA. We will then move all investments and Available Cash from your ISA into a General Investment Account (GIA).

We will move the Investments through an administrative transfer process but we should point out that:

- if you are invested in any investments that have 'gross share class' units, these will be converted to the equivalent 'net share class'. If there is no 'net share class' equivalent available then the investment will be sold and cash passed over
- from the point in time the transfer of each Investment from the Continuing ISA Account to the Scottish Widows GIA is complete, all interest, dividends and/or distributions received in respect of each Investment will be subject to the same standard tax treatment applied to other Investment in a Scottish Widows GIA.

The movement of Investments from your Continuing ISA to a Scottish Widows GIA will not incur any charges from us.

The investments will remain unchanged and therefore subject to market movement until we receive any appropriate instruction or required documentation from your estate that allows us to distribute any proceeds from the GIA.



Cancellation

Can I change my mind?

Yes, you can change your mind at any time within the 30 day cancellation period described below.

What will I receive back if I cancel?

The amount we pay back will depend on what action has been taken in respect of your Account prior to the date when you cancel.

If you exercise your right to cancel within 30 days from when we issue your Confirmation Schedule, we will refund any regular payments in full less adviser charges we have deducted.

For a cash transfer or one-off payment we will return the payment, less any fall in the value of the assets purchased with that payment and/or less any adviser charges we have deducted. We will also not refund you any charges applied by third parties like investment managers or stockbrokers for transactions you make.

How do I cancel?

For all cancellations, we will require you to call us on **0330 024 2345** to confirm your intention to cancel. On the call we will verify your identity and then ask you to send an email to us (from the registered email address we hold) confirming the following information:

- your name;
- your Scottish Widows Platform reference;
- the date at the top of your Confirmation Schedule that refers to the application you want to cancel.



Other information

How to complain

If you are unhappy with the way you have been treated by us, you always have the right to complain. You can write or call us at the address and number in the How to Contact Us section.

If you are not satisfied with our response, you can then raise the issue with:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Phone: **0800 023 4567**

Email: **complaint.info@financial-ombudsman.org.uk**

Website: **financial-ombudsman.org.uk**

Referring the matter to the Ombudsman will not affect your right to take legal action later on.

Terms & conditions

This document provides information on the key features of our Scottish Widows ISA. It does not include all the definitions, exclusions and terms and conditions. You can find full details in our Client Terms & Conditions, available on our website. We will also provide an electronic copy in your Document Library if you decide to open a Scottish Widows ISA.

We have the right to make changes to the Client Terms & Conditions. If this happens, we will let you know and explain the changes. Any changes will be added to your Document Library and posted on our website.

In the event of a conflict between the Scottish Widows Client Terms & Conditions and this Key Features document, the Scottish Widows Client Terms & Conditions will prevail.

Client categorisation

We categorise all of our clients as 'Retail Clients' under the FCA rules for all services and transactions. This helps us to make sure that you receive appropriate disclosure documents from us and that you are told everything you need to know in a timely fashion.

Communication

Our contract with you is in English and all future communication about it will be in English.

Financial services compensation scheme

Scottish Widows Platform is authorised by the FCA so you will have access to the Financial Services Compensation Scheme (FSCS).

In the event you suffer financial loss because of our failure or an investment failure, the actual level of compensation you receive will depend on the basis of your claim and where the money you have with us is invested. The FSCS only pays compensation for financial loss. Compensation limits are per person per firm and per claim category.

The FSCS may be able to pay you compensation if we or any banks with whom we place your money are no longer able to meet our or their financial obligations. If certain investments fail, you may also be eligible for compensation.

- **Scottish Widows Platform Failure** – In the unlikely event the Scottish Widows Platform fails, you may be eligible to make a claim for compensation as a consequence of losing Investments you held in the Scottish Widows Personal Pension, the Scottish Widows ISA, the Scottish Widows JISA, the Scottish Widows GIA, and/or the Scottish Widows TPIA for up to a maximum of £85,000. It is however unlikely you would need to make an FSCS claim for compensation in the event of a Scottish Widows Platform failure because your Cash and Assets are held by appointed third party custodians on a segregated basis and in accordance with FCA Client Money Rules. This means your Cash and Assets are always protected from such an event.
- **Bank Failure** – In the event a Banking Partner is unable to meet its Financial obligations to you, you may be eligible to make a claim for any losses up to a maximum of £85,000.
- **Asset Failure** – In the event of an Asset failure meaning the Asset may no longer be able to trade, you may be eligible to make a claim for any losses up to a maximum of £85,000 per Asset.

You can find out more about the FSCS and how it covers your savings in our Client Terms & Conditions.

Law

You must be resident in the UK to open a new Scottish Widows ISA on the Scottish Widows Platform. The Scottish Widows ISA will be set up and governed by the law of England and Wales.

Where you have declared to us to being tax resident in any non-UK country, or where based on information you have provided to us, or where based on publicly available information, we have assessed you to be tax resident in any non-UK country, we reserve the right to place restrictions on your account to limit further contributions, investment execution and any activity as we see fit.



How to contact us

If you have any questions about the Scottish Widows ISA you should contact your financial adviser in the first instance. If you feel that you need to contact us, you can do so using any of the methods opposite.

Scottish Widows Platform
PO Box 24065
1 Tanfield
Edinburgh
EH3 1EY

Email: service@scottishwidowsplatform.co.uk
Phone: **0330 024 2345**

Available Monday to Friday 8.30am to 5pm. Calls may be recorded for training purposes.



0330 024 2345



service@scottishwidowsplatform.co.uk



scottishwidows.co.uk/platform

Keeping in touch

Please tell your adviser if you change your postal address, telephone number or email address.

If you no longer have an adviser, please contact us directly to ensure Scottish Widows Platform holds your up-to-date contact details.

It's especially important that we are able to send you information by email.

Digital communication is fast, secure, environmentally friendly and costs less than print.

Please let your adviser or us know if you have any problem receiving or reading digital communications like email or on-screen literature.

