

LIFETIME ISA

Key features

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The Financial Conduct Authority is a financial services regulator. It requires us, AJ Bell Securities Limited, to give you this important information to help you to decide whether our AJ Bell Investcentre Lifetime 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.

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IMPORTANT

The information provided in this key features document is provided based on our understanding of current law, practice and taxation which may be subject to change.

Full details of the legally binding contract between you and AJ Bell Securities Limited are included in the AJ Bell Investcentre terms and conditions.

The laws of England and Wales will apply in all legal disputes.

If you would like a copy of this or any other item of our literature in large print, Braille or in audio format, please contact us on 0345 54 32 600 or by email at clientservices@investcentre.co.uk.

All of our literature and future communication to you will be in English.

About this document

This document contains important information about our products and services. Customers tell us they understand this information better if they read it without any interruptions, so please take some time out to read it carefully in conjunction with our LISA FAQs and Terms and Conditions.

Its aims

What is the AJ Bell Investcentre Lifetime ISA and what does it offer me?

The AJ Bell Investcentre Lifetime ISA is designed to help you save for your first house and/or for your retirement in a tax-efficient way.

You can make one-off or regular payments into the Lifetime ISA to take advantage of the tax privileges available.

Our Lifetime ISA offers you a wide range of investments to choose from, including shares, investment trusts, unit trusts, gilts, corporate bonds and OEICs.

Your commitment

What you have to do as the Lifetime ISA investor

You must ensure that you understand the features, benefits and risks of the AJ Bell Investcentre Lifetime ISA, so that you can be sure it will meet your needs and expectations.

You must ensure that any payments you make to the Lifetime ISA don't go over the annual limits.

You must make a payment to the Lifetime ISA in the same tax year in which you open it or by your 40th birthday – whichever is earliest

You must agree to be bound by the AJ Bell Investcentre terms and conditions and pay the charges set out in the Lifetime ISA charges and rates.

You must regularly review whether the AJ Bell Investcentre Lifetime ISA remains appropriate for you, especially if you originally opened the Lifetime ISA to save for a first house and your plans change.

Risks

Factors that could affect the return you make on Lifetime ISA investments

The value of investments held in the Lifetime ISA, and the income from them, can fall as well as rise.

Investing in cash is considered by some to be more appropriate for short-term investments. You may get back less than the amount invested. This may be particularly important if you are saving in the short term for the purchase of a first house.

Past performance is not an indication of future performance and some investments need to be held for the long term to achieve a return.

You will be able to deal in a range of investments. Some investments carry a higher degree of risk than others. The following are some specific examples of this:

- smaller companies, the prices of which can be more volatile, with potentially large differences between the buying and selling prices;
- overseas investments, which may carry an exchange-rate risk, and may be based in jurisdictions with fewer regulations;
- highly-g geared investments, the prices of which can be extremely volatile.

Some investments are described as complex financial instruments. If you invest in these, you should be aware that you may lose all of your money. Before investing in a complex financial instrument, you will have to complete an appropriateness test, as required by the rules of the Financial Conduct Authority.

We do not provide investment advice, as this is an execution-only service. We do provide information about investments, but this is solely to enable you to make your own investment decisions, and must not be treated as a recommendation. If you need advice to determine whether an investment is suitable, you must consult your adviser.

If the value of your Lifetime ISA is small and/or you deal frequently in small amounts, dealing costs may be disproportionately high and the value of your Lifetime ISA may be eroded.

Please note that the rules relating to the taxation of Lifetime ISAs and of capital gains and income from investments held within them are subject to change.

Having considered these risks, if you have any doubts about the suitability of the AJ Bell Investcentre Lifetime ISA, you must seek advice from your adviser.

Factors that could affect whether or not a Lifetime ISA is the right way for you to save

You cannot make any further payments into a Lifetime ISA once you have reached the age of 50, or if you cease to be a UK resident.

Payments to a Lifetime ISA qualify for a 25% government bonus. However, a 25% government withdrawal charge will apply if you take money out of your Lifetime ISA before the age of 60 for any other reason than to purchase your first house, or because you are terminally ill.

You will lose out on the benefit of your employer's contribution if you choose to fund a Lifetime ISA instead of enrolling in or contributing to a qualifying/automatic enrolment pension scheme, occupational pension scheme or personal pension scheme.

Your current and future entitlement to means-tested benefits could also be affected, as the value of your Lifetime ISA may count towards any assessment of your assets, whereas the value of pension savings may not.

You should note that the rules relating to the taxation of Lifetime ISAs and of capital gains and income from investments held within them are subject to change.

Having considered these risks, if you have any doubts about the suitability of our Lifetime ISA or you need advice, you must seek advice from your adviser.

Questions and answers

Could the AJ Bell Investcentre Lifetime ISA be right for me?

The AJ Bell Investcentre Lifetime ISA could be right for you if you:

- are looking to use a portfolio of investments to help you save for a first home or your retirement in a tax-efficient way
- wish to benefit from the 25% bonus the government offers on payments made to a Lifetime ISA (subject to annual limits)
- understand that growth is not guaranteed and that you will pay the 25% government charge on withdrawals you make before you are 60 if they are used for anything other than a first house purchase (unless you're terminally ill)
- require access to a wide range of investment opportunities, such as investment in a portfolio of listed stocks and shares.

Can I have a Lifetime ISA?

You can open an AJ Bell Investcentre Lifetime ISA if you are aged between 18 and 39, have an FCA-authorised financial adviser, and are either resident in the UK or are a Crown employee serving overseas (or are the spouse/civil partner of such a Crown employee).

As long as you make your first payment before you are aged 40, payments to an AJ Bell Investcentre Lifetime ISA can continue until you turn 50.

What are your Lifetime ISA charges?

Full details of the Lifetime ISA charges are available at www.investcentre.co.uk.

What other terms and conditions apply to the AJ Bell Investcentre Lifetime ISA?

Our AJ Bell Investcentre terms and conditions set out the full terms and conditions for our AJ Bell Investcentre Lifetime ISA.

Payments to my Lifetime ISA

When can I make payments into my Lifetime ISA?

You can make payments into your AJ Bell Investcentre Lifetime ISA if you are aged between 18 and 49, are resident in the UK and have not paid into another Lifetime ISA in the current tax year.

Once your Lifetime ISA is set up, you need to make your first payment during the tax year in which you open the account. You can make single and/or regular payments, subject to the minimum and maximum limits described below.

What bonus is available on the payments I make to my Lifetime ISA?

Your Lifetime ISA will receive a 25% bonus on the payments you make into it. The maximum bonus received on payments to your Lifetime ISA, if you pay in up to the annual limit of £4,000, is £1,000 a year.

You don't need to do anything to claim the bonus. We do all of this for you. The bonus will be paid between four and eight weeks after the date you make a payment.

Are there any minimum and maximum payment limits?

If you want to make a single payment, the minimum amount is £500. The minimum level for your regular monthly payments is £25.

Your payments to Lifetime ISAs must not exceed a limit of £4,000 each tax year. Payments which normally count towards this limit will also count towards the annual limit on subscriptions to ISAs. Your total ISA subscriptions must not exceed £20,000 in a tax year.

How can I pay into my Lifetime ISA?

Single payments can only be made by electronic payment or cheque. Regular payments must be made monthly by Direct Debit. Payments by Direct Debit will be taken on the first working day of the month.

Payments cannot be made in the form of shares or other investments.

What are the annual limits for payments to my Lifetime ISA?

The annual limit for payments to Lifetime ISAs is £4,000.

If you have already paid into another cash or stocks and shares Lifetime ISA in the current tax year, then you are not permitted to make a payment to the AJ Bell Investcentre Lifetime ISA for the remainder of the tax year.

Payments to a Lifetime ISA also count towards the annual ISA subscription limit of £20,000.

Transfers to my Lifetime ISA

Please note that we do not currently offer the facility to transfer an existing ISA or Lifetime ISA into the AJ Bell Investcentre Lifetime ISA.

Investments

Which investments can I deal in?

You can invest in any securities that are quoted on a recognised stock exchange that are settled within CREST. This range covers securities across the UK and more than 20 overseas markets and includes the following:

- shares (including AIM shares)
- more than 4,000 unit trusts and OEICs (of which over 3,000 are clean share classes)
- government bonds
- corporate bonds

- permanent interest bearing shares (PIBs)
- investment trusts
- Exchange Traded Funds (ETFs)
- Exchange Traded Commodities (ETCs)

Further information about buying and selling investments is available in the Dealing FAQs.

Can I make regular investments?

Yes, you can. Our regular investment service allows you to invest every month in a wide range of investment opportunities, including the FTSE 350, selected funds in our funds universe, and selected investment trusts, ETFs and ETCs.

Setting up a regular investment is simple and once we have received the instruction from your adviser, we will automatically make your deals on the 10th calendar day of each month (or the next working day).

Obviously, for us to make your deals, there must be sufficient money in your cash account to pay for them. If there isn't, we won't make your deals on that given month and will try again the next month.

Your adviser is able to amend your regular investment instructions up until midnight on the ninth calendar day of each month (or midnight on the day before the regular investment dealing day).

Do I pay tax on any dividends or gains within my Lifetime ISA?

There is no tax to pay on any dividends or capital gains.

No tax is deducted from any interest paid on cash held in a Lifetime ISA.

A 25% government withdrawal charge is made on money you take out of a Lifetime ISA unless the withdrawal meets certain conditions.

How do I obtain a valuation of my Lifetime ISA?

You can obtain a valuation of your ISA 24 hours a day, 365 days a year via our website. An online cash transaction summary is also available.

Are there any restrictions on what I can invest in?

Yes. Your Lifetime ISA cannot invest directly in:

- warrants
- private (unquoted) shares

You cannot borrow any money under your Lifetime ISA.

What my Lifetime ISA might be worth at age 60

Age saving in a Lifetime ISA	Total amount paid in by Lifetime ISA investor	Total amount paid in, plus Lifetime ISA government bonus	Estimated outcome at age 60 from 0% return	Estimated outcome at age 60 from 5% return	Charges and estimated inflation would reduce a 5% return to
	£	£	£	£	%
18	128,000	160,000	77,510	304,050	2.3
25	100,000	125,000	65,795	217,490	2.3
30	80,000	100,000	55,944	163,559	2.3
35	60,000	75,000	44,651	115,412	2.3
40	40,000	50,000	31,705	79,971	2.3

This table is designed to help you understand what the value of your Lifetime ISA could be when you reach 60, depending on the age when you start saving. It assumes that you pay in the maximum allowed at the start of each tax year until age 50 and receive the government bonus each year. It also assumes that there are no changes to the tax allowances and bonuses whilst you are saving. This table may not be relevant if you are using a Lifetime ISA to save for a house purchase.

The returns are based on investment returns of 0% and 5% and inflation of 2.5%. This may not be the actual or expected returns. Investment returns will depend on investments you choose and not all investments will give the same return.

Charges are based on the account being invested in shares and may be higher if funds are held. Dealing charges are based on four share deals per annum. Our Lifetime ISA charges may vary over time and they exclude any fees paid for a personal recommendation or relating to the investments held in the ISA.

Withdrawing money from my Lifetime ISA

When can I take money out of a Lifetime ISA?

Cash can be taken out at any time but Lifetime ISAs are intended to help you save for your first home or retirement. So, if you take money out for any other purpose*, the 25% government withdrawal charge will be made on the withdrawal.

* The government withdrawal charge is not payable if we receive evidence from a registered medical practitioner that you have less than 12 months to live.

How do withdrawals for a house purchase work?

If you withdraw funds from your Lifetime ISA to purchase a house, you won't face the government withdrawal charge as long as the following conditions apply in relation to the property.

- The property you're buying must be your first home.
- The purchase price of the property must not be more than £450,000.
- The property must be in the UK.
- You must occupy the house as your only or main residence, or you must be a Crown employee serving overseas, or their spouse/civil partner with a longer-term intention to occupy the property.
- You must be paying for some of the property with a mortgage.

In addition, you will also need to have held funds in your AJ Bell Investcentre Lifetime ISA for at least 12 months.

Before making the withdrawal, you'll need to make a declaration to the conveyancer acting for you in the purchase, providing information about you, your Lifetime ISA and the property.

You'll also need to confirm you meet the above conditions. The conveyancer will then provide information to us and confirm that the conditions are met, and we will pay the amount you wish to withdraw directly to your conveyancer.

Once we have made the payment, if you don't complete on the property purchase within 90 days, then the money will need to be paid back into the Lifetime ISA.

How does the government withdrawal charge work?

The 25% government withdrawal charge is based on the value of your withdrawal, including any investment growth.

You can either withdraw the full balance held in your Lifetime ISA, or withdraw part of the balance. There is no additional charge for withdrawing money from your Lifetime ISA, although you may need to pay dealing charges if you need to sell investments.

The government withdrawal charge is not payable if we receive evidence from a registered medical practitioner that you have less than 12 months to live.

Please also note that once money has been withdrawn from a Lifetime ISA, you will only be able to pay it back in if you have not paid to a different Lifetime ISA in that tax year, and you will be subject to the annual Lifetime ISA payment limit of £4,000 and ISA subscription limit of £20,000 (except where the funds are withdrawn for a property purchase; if the purchase does not proceed within 90 days, then the funds will be returned to the LISA in full).

What happens to an AJ Bell Investcentre Lifetime ISA if I die?

If you die, your LISA will retain its tax benefits until the completion of the administration of your estate, the third anniversary of your death, or the closure of your account – whichever event happens first. The 25% government withdrawal charge will not apply if your Lifetime ISA is closed following your death. We will liaise with the persons dealing with the estate regarding the sale of any investments and so it is important that they hold the details of the Lifetime ISA. The Lifetime ISA will form part of your estate for Inheritance Tax purposes.

Miscellaneous

How secure is my money?

AJ Bell Securities Limited is the manager of your Lifetime ISA and is responsible for the day-to-day administration and management of the plan. The investment dealing service is also provided by AJ Bell Securities Limited.

AJ Bell Securities Limited is part of AJ Bell, one of the UK's largest investment platforms, with £83.7 billion of assets under administration and 528,000 customers.

AJ Bell Securities Limited is a member of the London Stock Exchange, is authorised by HMRC to act as a Lifetime ISA manager, and is authorised and regulated by the Financial Conduct Authority.

What if I open a Lifetime ISA, then change my mind about it?

You have a legal right to cancel your Lifetime ISA if you change your mind. If you wish to cancel you must do so within 30 days of the date you receive our email confirming the establishment of your Lifetime ISA.

If you wish to make an investment during the 30 day cancellation period, you can do so, however if the investments fall in value you may get back less than the original value of the payment.

You may exercise your right to cancel by writing to us at:

AJ Bell Investcentre
4 Exchange Quay
Salford Quays
Manchester M5 3EE

Email: clientservices@investcentre.co.uk quoting your name and Lifetime ISA account number.

Further information about your cancellation rights is included in the terms and conditions.

Are there any compensation arrangements covering my Lifetime ISA?

Yes. The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation if firms are unable to meet claims made against them.

For bank deposits, the maximum claim that could be made in respect of your Lifetime ISA is £85,000.

For investments, in general up to £85,000 may be claimed if an investment firm goes out of business and cannot return investments or money.

Further information about the compensation arrangements is available from the Financial Services Compensation Scheme (www.fscs.org.uk).

Can AJ Bell Investcentre provide me with advice?

No. We are not authorised to provide any advice on tax or financial services-related matters.

If you need any advice, then please contact your financial adviser.

What if I have any further questions?

You must contact us at the address shown below or via our website www.investcentre.co.uk.

What if I have a complaint?

Customer satisfaction is very important to us. If you do have any cause to complain about the services provided there are clear procedures laid down by the Financial Conduct Authority to ensure that your complaint is dealt with fairly.

Please contact us in the first instance at:

AJ Bell Investcentre
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Tel: 0345 54 32 600

Email: clientservices@investcentre.co.uk. If you are not satisfied with our response, you may refer your complaint to the Financial Ombudsman Service, free of charge, at:

Financial Ombudsman Service
Exchange Tower
London E14 9SR

Tel: 0300 123 9123

Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal proceedings.

How does the application process work?

Your adviser will apply for an AJ Bell Investcentre Lifetime ISA on your behalf. Your adviser does this under the authority they have under the terms of their agreement with you to act as your agent and provide us with instructions that concern you and your accounts.

When submitting your application, your adviser will make the declarations set out below on your behalf. If any of the declarations are incorrect, you must inform AJ Bell Investcentre and your adviser without delay.

General declarations

I apply to open an AJ Bell Investcentre Lifetime ISA for the tax year 2024/25 and each subsequent year in which I make a payment to the account.

I confirm that I have been recommended and provided copies of the AJ Bell Investcentre Lifetime ISA key features, terms and conditions and the AJ Bell Investcentre privacy policy, each of which I have read, agreed to and retained.

In return for the services provided to me, I agree to pay the charges applicable to my AJ Bell Investcentre ISA. I understand that it is the responsibility of my adviser to disclose to me any adviser charges paid to them in respect of my ISA and AJ Bell Investcentre does not take any responsibility for the terms of the adviser charges paid.

I declare now and for each tax year in which I make a subscription to my AJ Bell Investcentre Lifetime ISA that:

- a. All subscriptions made, and to be made, belong to me;
- b. I am 18 years of age or over and under 40;
- c. I have not subscribed, and will not subscribe more than the overall subscription limit in total to any combination of permitted ISAs in the same tax year;
- d. I have not made current year payments, and will not make current year payments, that exceed the Lifetime ISA payment limit;
- e. I have not subscribed, and will not subscribe to a Help to Buy ISA or another Lifetime ISA, in the same tax year that I subscribe to this Lifetime ISA; and
- f. I am resident in the United Kingdom for tax purposes or, if not so resident, either perform duties which, by virtue of Section 28 of Income Tax (Earnings and Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or I am married to, or in a civil partnership with, a person who performs such duties. I will inform AJ Bell Securities Limited if I cease to be

so resident or to perform such duties or be married to, or in a civil partnership with, a person that performs such duties.

I authorise AJ Bell Securities Limited or its nominee to:

- a. hold my cash subscriptions, ISA investments, interest, dividends and any other rights or proceeds in respect of those investments (including Lifetime ISA government bonus) and any other cash;
- b. make on my behalf any claims to relief from tax in respect of ISA investments;
- c. submit Lifetime ISA bonus claims to HMRC on my behalf;
- d. withhold and deduct from any balance in the Lifetime ISA and pay to HMRC any charges due on withdrawals; and
- e. make a record in writing in accordance with Regulation 12B paragraph 7(a) of the Individual Savings Account Regulations where required to do so.

I confirm that I have not relied on any financial, investment or other advice given by AJ Bell Securities Limited when making the decision to apply for this Lifetime ISA.

I confirm that the declarations and information contained in this application are correct to the best of my knowledge and belief and I will notify AJ Bell Investcentre of any changes without delay.