



# Important Information Guide

## Investment ISA



Welcome to tax-efficient investing towards your future goals

## Contents

		Page
<b>1</b>	Welcome	1
<b>2</b>	Key features of our ISA	2
	Frequently asked questions about the plan	4
<b>3</b>	Terms and Conditions	8
	Who can apply?	8
	Opening your ISA	9
	How this ISA works	11
	Making payments to your ISA	12
	Tax and your ISA	12
	Taking money from your ISA	13
	Life insurance from your ISA	13
	When we can make changes to this ISA	14
	Closing your ISA	15
	How to make a complaint	16
	How we use your personal information	17
<b>4</b>	Important information about your agreement with us	18
	What we promise you	18
	How we pay our people and introducers	20
	What we ask from you	21
<b>5</b>	Contact us	22

## 1 Welcome

Shepherds Friendly is a UK friendly society – in fact our roots go back around 200 years. All our profits go back to our members, rather than shareholders. Today, we're known as a modern mutual.

We believe in offering you a fairer, simpler way of investing. Our members have always come first and they always will. We help them plan their finances in ways that take care of them and their families. And just as we help our members secure their future, they help define ours. All our members have a say in how we're run.

If you choose to invest in our Investment ISA, you'll become one of our members as well. And we'll be always here to support you.

If you have any questions or feedback, please call us on **0800 526 249**. We can also supply this document in large print or braille. If you prefer to write to us, we've included our address and email details near the end.



This document has received the Fairer Finance Clear & Simple Mark, which recognises excellence in both language and design.

## 2 Key Features of our ISA

This Important Information Guide tells you all you need to know. That includes what an Individual Savings Account (ISA) is, how to apply for it and how it works. Plus, what we ask from you and what you can expect from us.

You can find the Terms and Conditions for this ISA in this document too. There are contact details of others who might help you with your savings journey as well, such as the tax office (HMRC).

The Shepherds Friendly Society Limited is required by the Financial Conduct Authority (FCA), the independent financial services regulator, to provide you with this Important Information Guide. This is to help you decide whether our Investment ISA (Individual Savings Account) is right for you.

The products we provide are Shepherds Friendly's own products.

Please read this document carefully to make sure you fully understand the plan and what you need to do. As you might want to look at it again in the future, please also keep it in a safe place.

### **The aims of our Investment ISA**

- To increase the value of the money you've invested over the medium- to long term (five years or more).
- To give you a tax-free investment which you can easily add to or take out money from.

### **Your investment in the plan**

- You can invest a single lump sum and/or monthly amounts, up to the limits the Government allows.
- There's no fixed term, but it's usually best to think of it as a medium- or long-term investment.
- You can take out some of your money, but you need to tell us – for details, please see '**How do I take out money**' below.

## 2 Key Features of our ISA (continued)

### Risks associated with the plan

- Please note that past performance is not a guarantee of future results.
- Any bonuses are paid every three months (quarterly). The amount we pay depends on how well the investments do – in some quarters we may not pay a bonus at all.
- Like all ISAs, our Investment ISA is tax-free. However, the Government may decide to change this in the future.
- Inflation and taking out money will affect what your investment is worth.
- As with any investment, your capital is at risk. If you have invested when it has not performed well and you leave the fund, you may get back less than the current value of your plan. This is because we apply what we call a Market Value Reduction (MVR). For details, see the section below headed '**What is a Market Value Reduction (MVR)?**'.
- Stocks and shares ISAs carry a higher risk than a bank or building society cash ISA.
- This Investment ISA is a medium- to long-term investment. If you close it early, it may mean you get back less than you expected.

## 2 Frequently asked questions about the plan

Here are answers to some of the questions we're often asked about the plan. We explain these in more detail in our Terms and Conditions later on in this guide.

### **What's a stocks and shares ISA?**

An Individual Savings Account (ISA) is a tax-efficient way in which you can save without having to pay any Income or Capital Gains tax. This ISA is a Stocks and Shares ISA, which means it's invested across stocks and shares, equities, bonds, and property.

It's one of the various types of ISAs which you're allowed to hold, and you can have ISAs with different providers. However, the Government has savings limits for each type of ISA, including stocks and shares ISAs which is £20,000, and you must stay within these limits.

### **Who can have a stocks and shares ISA?**

Anyone aged 18 or over can open a stocks and shares ISA as long as they're resident in the UK. You can find out what we mean by '**resident**' in the Terms and Conditions later on in this guide.

### **How much can I invest?**

Each year, the Government sets an annual ISA allowance for each type of ISA. You can invest up to the limit allowed for a Stocks and Shares ISA. There's more on this in the '**Making payments to your ISA**' in the Terms and Conditions later on in this guide.

### **How do I invest?**

You can easily open your ISA online. You can invest regular monthly amounts and/or lump-sums. Please make sure the total amount each tax year isn't more than the Government allows.

The minimum monthly amount is £30. You can increase this at any time by a minimum of £10 a month. You will need to make regular monthly payments by Direct Debit.

The minimum initial lump sum you can invest is £100. You can add further lump sums of at least £10 at any time.

There are more details in '**Making payments to your ISA**' in our Terms and Conditions later on in this guide.

## 2 Frequently asked questions about the plan (continued)

### How do I transfer my ISA?

To transfer an existing ISA to us from another ISA provider you must complete a transfer form. We will then contact them and write to you when we have received the money.

If you have a Shepherds Friendly Investment ISA and want to transfer it to another company, please ask them to request the transfer.

**Please note:** if you want a transfer, don't just take out and pay in the money yourself. The transfer must be done by an ISA registered company if you want to keep the tax benefit.

When you transfer or close your ISA, we aim to pay out your fair share. To do this, we may apply a Market Value Reduction (MVR). For details, please see the '**What is a Market Value Reduction (MVR)?**' in the Terms and Conditions later on in this guide.

### How could my investment grow?

We aim to increase the guaranteed amount we will pay out on your plan by adding bonuses.

The level of bonuses you might receive is based on factors such as:

- How much you've invested
- When you made the investment
- The fund's performance over time
- The costs related to running your plan

### When might I get bonuses?

We will normally add a bonus every three months (quarterly). Please note that the amount of the bonus will vary. There's also no guarantee of a bonus each quarter.

When you close your plan, we may add a final bonus. The amount can vary – please also note that there's no guarantee we'll add a final bonus.

## 2 Frequently asked questions about the plan (continued)

### **What is the Shepherds Friendly With-Profits Fund?**

With our Investment ISA your money is invested with that of other members into one fund. This is known as our With-Profits Fund. It invests the money across stocks and shares (equities), property, gilts, bonds and cash. The goal is to achieve more growth in the medium-to long-term while also paying bonuses where we can. More about this is in the **'How we look after your investment'** in our Terms and Conditions.

### **What are the risks associated with the With-Profits Fund?**

Most of the fund is invested in stocks and shares. This means there are risks associated with the performance of financial markets. That's why you should aim to invest for five years or more (medium- to long-term). For any length of time less than that, you might prefer a cash-based savings account. These come with low or no risk but have less potential growth than an investment account over the longer-term.

### **What happens if I die?**

If you die, the money in your plan will go to your estate. Whoever is responsible can make a claim by calling us on **0800 526 249**. We will explain the claims process and send out a claim form.

The amount we pay will be at least 101% of all investments into the plan. However, if you took out any money, then we'll reduce what we pay out by that amount. For example, you pay in £100, and then withdraw £20, leaving £80. Our 101% guarantee would apply to £80 as this is the money you have paid in, minus withdrawals.

There are also rules and guidelines about what happens to your money if you die, and we can help with these.

To find out more, please call our Member Services team on **0800 526 249**, or get in touch online at **shepherdsfriendly.co.uk/help-and-support/**

Please see also the **'Life insurance from your ISA'** section below.

## 2 Frequently asked questions about the plan (continued)

### **How will I be kept informed?**

You can register online and see your plan details. You'll also be able to add to your ISA and update any Direct Debit securely online.

Each quarter we'll send you a statement. This will show any bonus payments, any money you've taken out, and the total value of your Investment ISA.

### **How do I take out money?**

You can take money out of your ISA at any time, via email or by calling us. The minimum amount is £100 and there are no charges.

Please note that this doesn't affect your ISA limits.

### **How do I close my ISA?**

You can close your ISA at any time, either online, via email or by calling us. There are no charges.

When you decide to close your plan we may pay an extra bonus, depending on how the fund has been doing.

We may also apply a Market Value Reduction (MVR) – please see the section below, '**What is a Market Value Reduction (MVR)?**'.

### **What if I change my mind about opening an ISA?**

You're free to change your mind any time in the 30 days after you open your plan. Just tell us and we'll cancel your ISA and return your money. You'll also get back your ISA allowance, which you can use to add to a different ISA, or to open a new one.

### **What is a Market Value Reduction (MVR)?**

A Market Value Reduction (MVR) reduces the amount you get back when you withdraw, transfer or close your plan. We can put one in place when financial markets aren't doing well and the value of investments in our With-Profits Fund is falling. An MVR makes sure that members don't leave with more than their fair share and protects members who stay invested in the fund. Remember, this may mean that you get back less than you put in. For more details, please see the '**When we can make changes to this ISA**'.

### 3 Terms and conditions

## Who can apply?

To apply for the ISA:

- You must be 18 years old or over.
- Make sure you're within the £20,000 limit allowed by the Government for this type of ISA during this tax year. (Each tax year, the Government allows you to save up to a certain amount in ISAs. Different ISA types have different maximum amounts.)
- You must also be an individual. This means it is in your name only – you can't have a joint stocks and shares ISA. You also can't hold it on behalf of a company, club, or charity.

Where you live also matters:

- You must be resident in the mainland United Kingdom (UK). To be resident means you have to have lived at least half the year in the UK in each of the last three years. The UK means anywhere in England, Wales, Scotland or Northern Ireland. The only exceptions are the Isle of Man and the Channel Islands – if you live there, sorry but you can't take out an ISA.
- If you're a Crown employee working abroad (for example serving with the armed forces) then you're still able to apply for an ISA. The same applies if you're married to or in a civil partnership with someone like that.

If you're not sure whether you can apply or not, please check the Government guidelines: [gov.uk/individual-savings-accounts](https://www.gov.uk/individual-savings-accounts). You can also ask us by calling **0800 526 249**.

## 3 Opening your ISA

Before you open your Investment ISA we're always happy to explain anything, but unfortunately we cannot offer you any financial advice. If you're not sure if our ISA is right for you, you may want to contact a financial adviser.

### Information you need to keep safe

It's important that you keep any information we send to you safe.

For example:

- Your Welcome Pack, that we'll send you after you apply
- This Important Information Guide
- Any letters, emails or text messages we send to you

### Keeping us up to date

- Please let us know if you're no longer a UK resident, as outlined in the '**Who Can Apply**' section.
- Please let us know if your address changes.

Our contact details are in the '**Contact us**' section.

### Keeping you and your details safe

By law, we have to make sure you are who you say you are. For example, we may have to check your details on the Electoral Roll.

As part of your application, we also need certain information, which includes details about you. We will only collect what the law requires us to, plus what we need to manage your plan and we'll hold this information securely. To find out more you can **read our privacy policy on our website**.

### 3 **Opening your ISA (continued)**

#### **What you need to know if you're transferring your ISA**

If you already have an ISA and are transferring it to us, please don't close it yourself or you'll lose the tax benefits. Instead, complete our transfer form and then return it to us. We'll then send the form to your existing ISA provider to make sure that you keep your tax benefits.

You can also transfer your Shepherds Friendly ISA to another provider at any time. Again, please don't just close it yourself or you'll lose the tax benefits. Ask the new provider for a transfer form.

You can only transfer the whole amount of what you paid in during the current year (assuming you did pay any money in). However, with money you paid in over previous years you have the choice of transferring all or just part of it.

Please note that you can only transfer money. You can't, for example, transfer shares into an ISA.

### 3 **How this ISA works**

#### **How we look after your investment**

We have an active investment strategy, always aiming for steady growth and consistent, predictable returns. We also look to protect you from sudden ups and downs in the market.

This approach is in line with our Principles and Practices of Financial Management (PPFM), which guide us when we invest our members' money.

To read about this in more detail, you can download our PPFM document at [shepherdsfriendly.co.uk/about/ppfm](https://shepherdsfriendly.co.uk/about/ppfm) or ask us to send you a copy.

#### **Bonuses we might pay**

Each quarter (every three months), we may award a bonus. This will depend on how well the investment does.

After taking away charges, we work out any bonuses for each day and add them to your account. We pay bonuses just after the end of each quarter. The quarters are January to March, April to June, July to September, and October to December. So, for example, any bonus from the first quarter will be paid at the beginning of April.

When you take out money or close your ISA, you may get a further bonus. It will depend on how well your investment has done. This bonus will be calculated daily from 1st January of that year. We may also pay a final bonus to make sure that you receive your fair share of our With-Profits Fund.

Please note: We can't guarantee to pay you quarterly or final bonuses. As with any investment, you may also get back less than you have paid in.

#### **What we charge you**

To cover our costs, there is an annual management charge (AMC). It's based in part on the investment growth prior to any bonuses. The current AMC is 1.5%.

### 3 Making payments to your ISA

You can make regular monthly Direct Debit payments and/or lump sum payments to your ISA.

If you choose monthly payments, the minimum amount is £30 a month. You can increase this at any time by a minimum of £10 a month. You can also reduce monthly payments, as long as the payment does not go below £30 a month.

You can make lump sum payments by logging in to your account, or by calling us. These can be by debit or credit card. The minimum initial payment is £100. You can add more payments of at least £10 at any time.

Whichever method(s) you choose, you can add money to your ISA up to the limit the Government allows each tax year. A tax year starts on 6th April and ends on 5th April the following year. The limits may change from year to year.

You can find the current ISA allowance on the HM Revenue and Customs (HMRC) website at: [gov.uk/individual-savings-accounts](https://www.gov.uk/individual-savings-accounts). Or you can ring us on **0800 526 249** and we'll be happy to tell you.

## Tax and your ISA

You don't have to pay income tax or capital gains tax on your ISA investment. You don't have to include it on your tax return either.

The information we provide on UK tax is based on our understanding of current laws. Please note that the Government may change the rules about ISAs in the future. For further advice on tax, please contact a tax adviser. There's also more information about tax on the Government website at: [gov.uk/topic/personal-tax/income-tax](https://www.gov.uk/topic/personal-tax/income-tax)

### 3 Taking money from your ISA

You can take money out of your ISA or close it at any time. Please remember this isn't a flexible ISA. That means if you take money out of your ISA, you can't replace it without using up more of your annual ISA allowance.

Here's how it works:

- You just need to get in touch to let us know you would like to take money from your ISA.
- The minimum amount you can take out is £100.
- We need to make sure that the money is going to the right person so we'll carry out some identity checks before we make a payment.
- If the amount of money you have left in your ISA goes below £30, we'll ask you to close your account and return your investment to you.

## Life insurance from your ISA

Because this ISA is a With-Profits ISA, your investment also acts as life insurance for you. It means that if you die while you have the ISA, we will pay your estate. We guarantee that we will never pay less than 101% of all investments into the plan. However, if you took out any money, then we'll reduce what we pay out by that amount. For example, you pay in £100, and then withdraw £20, leaving £80. Our 101% guarantee would apply to £80 as this is the money you have paid in, minus withdrawals. However, if you took out any money, then we'll reduce what we pay out by that amount.

Because it includes life insurance, you can't sell your ISA, use it as security for a loan, or transfer your interest in it in any way. There's no longer any life insurance if you transfer or close your ISA.

If you die while you have this ISA, we need someone to send us a copy of the death certificate. We'd also need to see a copy of your will, if you'd made one.

If you're married or in a civil partnership when you die, your ISA can be transferred to your husband, wife or civil partner. They can have this in addition to their own ISA allowance – it's called an Additional Permitted Subscription (APS) allowance.

### **3** **When we can make changes to this ISA**

#### **Market Value Reduction and how it could affect your investment**

If our investment returns have been lower than expected, we may use a Market Value Reduction (MVR). The aim of an MVR is to protect members who still have money in the fund by making sure anyone who leaves doesn't take more than their fair share. So, it may mean that you receive less than you expected if you take out money or transfer or close your plan.

We would not use an MVR if you were to die.

#### **Following the law**

This ISA is governed by the laws of England and Wales.

There could be a change in the law or the way tax applies to us or to you. If this happens, we'll make changes to make sure that we don't break the law or taxation rules. We'll always let you know if we do this.

## 3 Closing your ISA

### Closing your ISA within 30 days

You can close your ISA within 30 days of opening your plan. This is called the ‘cooling off period’ and allows you to change your mind. If you close your ISA within this time, we’ll automatically refund any payments you have made.

We’ll pay you back exactly what you invested, even if the fund value has gone up or down in that time.

### Closing your ISA after 30 days

If you close your Investment ISA after 30 days, the amount you get back will include any bonuses that are due. However, we may apply a Market Value Reduction (MVR) – see ‘**What is a Market Value Reduction (MVR)**’ above. We do this to make sure you don’t get back more than your fair share.

You can also open another ISA at any time, unless you have reached your annual ISA allowance of £20,000.

### When we can close your ISA

In certain rare circumstances, we may close your ISA:

- We’ll close your ISA if you fail to meet all the rules. We will write to you to explain why and what to do about it.
- We would close your ISA if HMRC told us to.
- If we decide in the future to stop offering ISAs, we will write to you, giving three months’ notice for you to transfer the plan to another ISA provider.

### 3 How to make a complaint

If you're not happy with our service, please let us know. We can usually sort it out quickly and fairly. If you want to make a complaint, please contact:

Compliance Officer,  
Shepherds Friendly,  
Haw Bank House,  
High Street,  
Cheadle,  
Cheshire SK8 1AL.

You can also phone: **0800 526 249** or email [complaints@shepherdsfriendly.co.uk](mailto:complaints@shepherdsfriendly.co.uk)

We'll handle any complaint in line with the standards set by the Financial Conduct Authority. We publish our complaints procedure on our website and can also supply a written version if you ask for it.

If you're not happy with the way we deal with your complaint, you can refer it to the Financial Ombudsman. Write to:

The Financial Ombudsman Service,  
Exchange Tower,  
London,  
E14 9SR.

Or phone: **0800 023 4567**. There are also more details on their website at: [financial-ombudsman.org.uk](https://financial-ombudsman.org.uk). Or you can make a complaint using their online form at: [financial-ombudsman.org.uk/make-complaint](https://financial-ombudsman.org.uk/make-complaint). Making a complaint will not affect your right to take legal action.

### 3 How we use your personal information

Our privacy notice explains how we look after and manage your personal information, and explains your rights. You can see this on our website at: **[shepherdsfriendly.co.uk/privacypolicy](https://shepherdsfriendly.co.uk/privacypolicy)**

You can also ask us for a written copy. Just write to:

Shepherds Friendly,  
Haw Bank House,  
High Street,  
Cheadle,  
Cheshire SK8 1AL.

Alternatively, call our Member Services team on **0800 526 249**, or get in touch online at **[shepherdsfriendly.co.uk/help-and-support/](https://shepherdsfriendly.co.uk/help-and-support/)**

## 4 **Important information about your agreement with us**

This section explains what we promise to do for you, along with what we ask from you in return.

### **What we promise you**

#### **Answering your questions**

We agree to do the best we can for you at all times. Our Member Services team is there to make sure you have all the information you need and to answer your questions openly and honestly.

#### **Conflicts of interest**

We agree to identify and manage any conflicts of interest which may arise and to smooth out matters as much as possible. By conflicts of interest, we mean where what you want and what we want is different. If we believe there's a conflict of interest we'll let you know, so you can decide what's best for you to do.

#### **The information we'll send you**

We will always provide you with all the information you need about our products and the service that comes with them.

Once we've accepted your application, we'll send you the following information:

- A Key Information Document (available on our website).
- This Important Information Guide (which also contains our Terms and Conditions).
- A cancellation form which you can use during the cooling-off period if you change your mind.
- Confirmation about collecting payments, if you've opted for a Direct Debit.

## 4 What we promise you (continued)

We aim to be as accurate, clear and easy to understand as possible. If there's anything that you're not sure about, please feel free to ask. You can ask us to email any information or documents, or we can post them in paper form if you prefer. Whatever you choose, please make sure you read all the information we send you carefully.

### **Checking this ISA is right for you**

Please note that while we offer this ISA, we don't know if it's right for you – we aren't offering financial advice. All we look to do is to give you all the information and help you need. That way you can make a decision based on your understanding of your own needs.

You may want to contact a financial adviser if you're unsure if our ISA is right for you. If you buy a plan on your own without guidance, you may lose some consumer protection benefits. This means that you may not be able to claim against us.

### **Updates on your plan**

We'll provide updates every three months (quarterly) to let you know how your plan is doing.

### **Your personal information**

We'll hold your personal information securely and only use it for reasons allowed by the UK data protection regulation (GDPR). You can find out more in the section above '**Keeping you and your data safe**'. You can also see our privacy notice online at: [shepherdsfriendly.co.uk/privacy-policy](https://shepherdsfriendly.co.uk/privacy-policy) or ask us for a printed version.

Under the Data Protection Act, you have the right to ask to see any personal information which we may hold about you. You can have any mistakes in this information corrected. This is called a Data Subject Access request, or DSAR. You can do this by writing to our Data Protection Officer. Our address is in the '**Contact us**' section below.

## 4 What we promise you (continued)

### **Carrying out our responsibilities under this agreement**

Sometimes we may let other trusted companies help us with your ISA, like a bank that takes care of your money. If we do, we'll always make sure they know what they're doing and will look after things properly.

### **Protecting you against financial crime**

We'll do what we can to protect you against financial crime. We may need proof of who you are when you apply or contact us at other times. If need be, we may take steps such as checking the Electoral Register.

## **How we pay our people and Introducers**

### **How we pay our people**

We take great care to ensure our people are remunerated in ways which do not create any conflicts of interest for them or you. We structure pay to make sure poor sales practices are not incentivised.

We do this by paying our people by salaries with a discretionary bonus element for successfully doing their job. These payments are made by Shepherds Friendly.

### **How we pay our introducers**

We often receive applications for products such as this ISA which have been referred to us by someone else. These are businesses we've chosen to work with – they may, for example, be a financial adviser or an affiliate website. We call these people 'introducers' and we pay them a fee. We always make sure that they follow our guidelines and have a similar approach to us.

## 4 What we ask from you

### **The information you share with us**

When you give us information it must be accurate and truthful in all respects. In particular, if you take out money, transfer or close your plan, please supply us with all the details we ask for. There's a risk that providing anything inaccurate or false could cause the plan to be invalid and you may suffer loss as a result.

### **Understanding your documents**

Please read the Key Information Document and this Important Information Guide carefully. If there's anything you're not sure about, please get in touch and we'll be happy to help.

### **Keeping us up to date**

Please keep us up to date with information about how to contact you. That's particularly important for your home address, but please also let us know about any changes to your email address or phone number. The '**Contact us**' section below has the details.

### **Checking who you are**

By law, we have to check you are you say you are while you're with us. We will advise you how we do this when we do it. If or when, we have to do this we would be grateful for your help.

## 5 Contact us

Our focus is on customer service. In particular, we always look to provide as much help and support to our members as we can. That also goes for anyone else looking to take out an ISA with us.

The quickest way to open an ISA or to ask us anything is via our website or by calling us for free:

Online: [shepherdsfriendly.co.uk/help-and-support](https://shepherdsfriendly.co.uk/help-and-support)

Freephone: **0800 526 249**

You can also write to us at:

Shepherds Friendly,  
Haw Bank House,  
High Street,  
Cheadle,  
Cheshire SK8 1AL

### Your money is protected

We are covered by the Financial Services Compensation Scheme (FSCS). This means you may be entitled to compensation under the terms of the scheme if we are unable to pay out money.

For long-term plans such as this, the scheme covers 100% of your money – there's no upper limit. For more information, please visit the FSCS website: [fscs.org.uk](https://fscs.org.uk) or call **0800 678 1100**.



Protected

Shepherds Friendly is a trading name of the Shepherds Friendly Society Limited which is an incorporated Friendly Society under the Friendly Societies Act. Registered No 240F. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, Financial Services Register No 109997. The Head office and Registered office of The Shepherds Friendly Society is based in the United Kingdom.