



# Key Features Document

Transact Lifetime Individual  
Savings Account (LISA)



**Integrated Financial Arrangements Ltd**

A firm authorised and regulated by the Financial Conduct Authority

The Financial Conduct Authority ('FCA') is a financial services regulator. It requires us, Integrated Financial Arrangements Ltd, to give you this important information to help you to decide whether the Transact Lifetime Individual Savings Account (LISA) 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.

If you have any questions, or there is anything you do not understand, please speak to your financial adviser ('adviser').

### Its Aims

- To allow you to invest in unit trusts, OEICs, shares, investment trusts, bonds and cash in a tax efficient way to provide you with a fund that can be withdrawn from age 60
- To allow you to contribute up until age 50 and for a 25% bonus to be claimed on your contributions
- To allow you to access your funds to put towards the cost of purchasing your first home, provided that the cost of the home does not exceed £450,000
- To allow you to access the funds at anytime if you are seriously ill
- To allow you to access the funds at anytime before age 60 but subject to an HMRC early withdrawal charge of 25% on the amount that you withdraw.

### Your Commitment

- You must be at least 18 years of age and under the age of 40 to apply for a Transact LISA
- You must be resident in the UK for tax purposes, unless you are a Crown employee or their spouse or civil partner
- The amount invested must not exceed the current maximum LISA allowance (see 'What's the maximum I can invest?' in the Questions and Answers section)
- The total amount you invest into a stocks and shares ISA, cash ISA, innovative finance ISA and the LISA must not exceed the overall maximum ISA annual subscription limit (see 'What's the maximum I can invest?' in the Question and Answers section)
- Your subscriptions to the Transact LISA must cease at age 50
- You cannot open another LISA with another ISA provider in the same tax year
- You cannot open a LISA jointly with any other person
- The minimum investment in a Transact LISA is £500 or £100 plus a direct debit mandate for at least £50 per month for a period of not less than eight months
- You cannot normally make a withdrawal from your Transact LISA before age 60 without incurring an HMRC early withdrawal charge
- Unless you plan to use your Transact LISA to help purchase your first home, you should consider this a long term investment.

## Risks

- There are risks associated with the investments you can choose to hold within your Transact LISA. Your adviser should ensure you understand the level of risk you are taking with your chosen investment. A more detailed overview of the types of risks associated with particular investments is set out in our Guide to Investment Risks
- If you withdraw your funds before age 60 and the funds are not being used to purchase your first home, your withdrawals will be subject to an HMRC early withdrawal charge of 25%. This means that you may get back less than you originally invested
- The HMRC early withdrawal charge is applied to recover the government bonus and any growth on the bonus plus an additional amount of 6.25%. The example below shows how the government bonus and the HMRC early withdrawal charge are calculated:

<b>Amount paid</b>	<b>£1,000.00</b>
<b>Government bonus</b>	<b>£250.00</b>
<b>Total LISA value</b>	<b>£1,250.00</b>
<b>Withdrawal amount</b>	<b>£1,250.00</b>
<b>HMRC early withdrawal charge</b>	<b>£312.50</b>
<b>Amount you receive</b>	<b>£937.50</b>

In this example £1,000 is invested into a LISA and receives a government bonus of £250. If the full amount of £1,250 is withdrawn the deduction of the HMRC early withdrawal charge reduces the amount paid back of £937.50. This is £62.50 less than the original investment

- Unlike certain pensions\*, there is no requirement for an employer to contribute to a LISA. This means that if you take out a LISA instead of a pension, you may lose the benefit of receiving an employer contribution into your retirement savings
- Under current legislation, you can access pension savings at age 55 (although this is due to be increased to age 57 by 2028). Withdrawals from a LISA prior to age 60 will usually attract the HMRC early withdrawal charge
- You can contribute to both a pension and a LISA but you can usually contribute more to a pension
- Your payments to a LISA will receive a government bonus of 25% but contributions to a pension scheme obtain tax relief at your highest rate of income tax. For example, if you are a higher rate tax payer and you subscribe £1,000 into a LISA, you will receive a government bonus of £250. If this amount is paid into a pension, a higher rate tax payer would receive total tax relief of £500
- The 25% government bonus paid on contributions to a LISA is equivalent to receiving basic rate tax relief on pension contributions. If you are a higher or additional rate tax payer your tax relief on your pension contributions will be higher than the government bonus on any LISA contributions
- Contributions to a LISA must cease at age 50. At this time you might want to consider increasing contributions to a pension or other type of savings plan. Contributions to a pension will continue to qualify for tax relief until age 75
- If you are receiving or become entitled to State benefits (for example, benefits relating to your income or a disability) the value of your LISA may be taken into account when determining the amount of benefit that you receive. The benefits may be reduced or withdrawn completely. You should speak to your adviser if you think this might affect you
- Some of the investments available are linked to stock markets. This means that the value of your investments may go down as well as up and you may get back less than you originally invested
- What you get back will depend on the investments' performance; nothing is guaranteed. Past performance is not an indicator of future performance

\* For example, Occupational Pension Scheme, Personal Pension Scheme, Stakeholder Pension Scheme

- You can use a LISA to save for retirement. You can also use it to purchase your first home. You should make sure that your investment decisions are appropriate for how you plan to use your Transact LISA
- If you want to use the funds to purchase your first home you will want access to the funds earlier than if you are using the funds for your retirement. You should take this into account when making decisions on how to invest your contributions
- If your objectives change, you should consider whether your investments are still appropriate
- Your adviser's, your discretionary investment manager's and our charges may increase
- The tax rules relating to ISAs could change. Any tax liability will depend on your individual circumstances and it may change at any time
- Purchases and sales of some investments must be transaction reported to the FCA. If we do not hold sufficient information about you to submit transaction reports you may not be able to buy and sell these investments until the information is provided to us
- You should speak to your adviser if you are unsure about any of the risks associated with the investments held in your Transact Portfolio.

### Your Questions Answered

#### What's the maximum I can invest?

- The LISA annual allowance from 6th April 2017 is £4,000
- The amount that you pay into your Transact LISA will count towards your overall ISA subscription limit
- The overall ISA subscription limit for the 2017/2018 tax year is £20,000.

#### How can I allocate my ISA allowance in the current tax year?

- Any amount you invest in your LISA will reduce the amount that you can invest in the other types of ISA. The other ISA types are stocks and shares ISAs, cash ISAs and innovative finance ISAs
- For example, if you pay £4,000 into your Transact LISA the amount you can invest in other types of ISA is £16,000
- You can decide how to allocate your remaining ISA subscription amount between the other types of ISA but you cannot invest in more than one of the same type of ISA in the same tax year.

#### Can I put cash into my Transact LISA?

- Yes, cash can be held within your Transact LISA without the need to be invested.

#### Can I transfer LISAs held with other Providers into my Transact LISA?

You can transfer:

- Your current year LISA subscriptions (and any related income) and/or
- All or part of your LISA subscriptions made in previous tax years (and any related income)
- If your LISA contains current year subscriptions only, the entire account must be transferred
- We will claim any bonus that has not yet been claimed by your current LISA provider.

### Can I transfer stocks and shares ISAs, cash ISAs and innovative finance ISAs held with other Providers into my Transact LISA?

- You can transfer up to £4,000 of your subscriptions made in a previous tax year
- You can transfer the subscriptions made in the current year if they are £4,000 or less
- If the value of your current year subscriptions is greater than £4,000 you will not be able to transfer them into your Transact LISA
- Any amount that you transfer from a stocks and shares ISA, cash ISA or innovative finance ISA will count towards the LISA annual allowance but will not count towards your overall ISA annual allowance.

### How do I transfer stocks and shares from my existing ISA or LISA to Transact?

- You can transfer stocks and shares from your current ISA provider by completing a Transact ISA Transfer Form. This form enables you to instruct your current ISA provider to either re-register your investments direct to Transact or sell them and transfer the cash to us
- Make sure that your current ISA provider knows that you want to transfer your ISA to Transact. If funds are withdrawn by mistake from your LISA the withdrawal may be subject to the HMRC early withdrawal charge of 25%
- **Re-registration** means that your investments are transferred in their current form without the need to sell them. It is appropriate where you want to keep your investment holdings. To do this the investments will need to be available on the Transact platform and your current ISA provider must agree to transfer the investments in their current form
- **Cash transfer** means that your current investments will be sold and the cash transferred to your Transact LISA for you to buy investments of your choice (subject, of course, to the ISA eligibility rules and the investments being available on the Transact platform). This is appropriate if you want to hold different investments or where your current ISA provider is unable to re-register your investments to us.

Please be aware that a cash transfer means:

- You may lose out on investment growth while your investment is not invested during the transfer period
- You may incur charges when you purchase new investments to be held within your Transact LISA
- You will not have access to your ISA until such time as the transfer is complete.

### Can I transfer my Transact LISA to another LISA provider?

- Yes. We will require a completed transfer authority form from your new LISA provider. We can make the transfer by cash or we can transfer your investment holdings direct to your provider in their current form without selling them. However, the way in which we transfer will be determined by your new LISA provider's terms and conditions.

### Can I transfer my Transact LISA to another type of ISA?

- If you transfer your Transact LISA to another type of ISA, unless you are aged 60 or over, the transfer will usually be treated as a withdrawal and subject to the HMRC early withdrawal charge of 25%.

### When can I take money out of my Transact LISA?

- If you are aged over 60 you can make withdrawals at any time, which we can pay into either your nominated bank or building society account or Transact General Investment Account. The withdrawals are tax free
- You can make a withdrawal if it is put towards the cost of purchasing your first home. The withdrawal will not attract the HMRC early withdrawal charge provided that:
  - the withdrawn funds are put towards the purchase price of a first time residential property in the UK
  - the purchase price of the property does not exceed £450,000
  - the withdrawal value is equal to or less than the purchase price of the residential property. If you are using more than one LISA, the total amount of the withdrawals must not exceed the purchase price
  - you will live in the property
  - at least 12 months have elapsed since your first payment into the LISA
  - the amount is paid direct from your LISA to an eligible conveyancer
  - if the property purchase does not complete within 90 days after the withdrawal, the amount withdrawn is returned to your LISA
- Any other withdrawals will usually be subject to the HMRC early withdrawal charge.

### What about tax?

- You do not have to pay UK income tax or capital gains tax on any income or capital growth generated by the investments held within your Transact LISA
- You will receive tax free interest on cash held in your Transact LISA
- You can take your money out of your Transact LISA without having to pay any tax
- You do not have to include any information about your Transact LISA in your tax return
- You cannot use any losses in your Transact LISA to set off against any gains elsewhere in your Transact Portfolio.

You can make early withdrawals from a LISA (before buying a first home or attaining the age of 60) but you may be subject to the HMRC early withdrawal charge of 25%.

### What happens to my Transact LISA if I die?

- On death, your Transact LISA ceases and thereafter we will only accept instructions from your personal representatives on the account
- Please be aware that the value of your Transact LISA may be included as part of your estate for inheritance tax purposes. Any tax liability will depend on your individual circumstances and it may change at any time
- If you were married at your death and living with your spouse, your spouse would be able to make a subscription up to the value of your Transact LISA in addition to their normal subscription limits.

### What might I get back?

- The amount you get back is not guaranteed and depends on a number of factors, such as:
  - How much you invested
  - The length of time you invested for
  - Whether the HMRC early withdrawal charge has been deducted

- The performance of the investments you have chosen
- How much our charges are
- The amount of any withdrawals you have taken.

### What are the charges?

- The charges you may pay from your Transact Portfolio are set out in your illustration, and can be broken down as follows:
- Transact charges: We have set out all our charges in the Transact Commissions and Charges Schedule, which you can find on our website or obtain from your adviser
- Adviser charges: We can pay any charges agreed between you and your adviser from your Transact Portfolio but these charges cannot be paid from your Transact LISA. We require an express instruction from you before we can pay the adviser charge. Adviser charges can be 'initial' or 'ongoing'. Initial charges are deducted when cash is first used to purchase investments or when cash is paid into your Transact Portfolio. Ongoing charges are deducted every month based on the value of your Transact Portfolio and/or when investments are changed. You can specify the payment rate and frequency of payments to your adviser from your Transact Portfolio in our application form
- Discretionary investment manager charges: We will not pay these charges from your Transact LISA but where you appoint a discretionary manager on your Transact Portfolio, and have agreed to pay them for their service, the charges associated with their service can also be paid from your General Investment Account in your Transact Portfolio. You will need to give us an express instruction to pay your discretionary investment manager in our application form or otherwise authorise us to do so in writing.
- **Charges paid to your adviser or discretionary investment manager must be paid from outside of your Transact LISA**
- Underlying investment charges: There may be costs involved in the purchase and holding of investments in your Transact Portfolio, which will be payable by you directly to the investment product or asset provider. We may receive rebates of some of these costs which we will allocate to your Transact Portfolio in their entirety. As cash rebates cannot be credited directly to your Transact Portfolio under FCA rules we will purchase units in one or more rebate re-investment funds and allocate these to your Transact Portfolio

### Can I change my mind?

#### (a) After I have subscribed to my Transact LISA?

- After you've opened your Transact LISA, we will send you a letter confirming this. You will then have 30 days starting from the day you receive your letter to change your mind and cancel your Transact LISA
- If you decide to cancel, you should write to us at the address given in the section titled **How to contact us** below
- Once we have received your notification, we will give you your money back (your LISA allowance and overall ISA subscription allowance will be unaffected) less:
  - Any other payments, charges and fees in accordance with the Transact Terms and Conditions for the Transact wrap service
  - If your investments within your Transact LISA have fallen in value, you will get back less than the amount you invested
- Up until 5th April 2018, if you cancel your Transact LISA outside of the 30 day period, the cancelled subscription will not count as a subscription to a LISA and you will not be charged the HMRC early withdrawal charge

- After 5th April 2018, if you cancel your Transact LISA outside of the 30 day period, the cancelled subscription will count as a LISA subscription and you will not be able to subscribe to another LISA in the same tax year. If you have not reached age 60, the withdrawal will be subject to the HMRC early withdrawal charge of 25%
- If you choose not to cancel your Transact LISA it will continue in force in accordance with the Transact ISA Terms and Conditions.

### (b) After I have transferred my ISA to Transact?

- The 30 day period also applies to ISA transfer requests, so provided you cancel within the 30 day period, you can either
  - Transfer your ISA back to the original ISA provider, who is not obliged to accept the transfer back, or
  - Transfer your ISA to another ISA provider, or
  - Close your ISA and have the investments and/or proceeds returned to you
- If you choose not to cancel your transfer request, your transfer will form part of your Transact LISA which will continue in force in accordance with the Transact ISA Terms and Conditions.

## How to contact us

- If you require any further information, please contact us at the address below. Please remember that we will not be able to give you investment advice; you will need to contact your adviser for this.

Integrated Financial Arrangements Ltd  
29 Clement's Lane  
London  
EC4N 7AE

**Telephone:** 020 7608 4900

**Fax:** 020 7608 5300

**Email:** [info@transact-online.co.uk](mailto:info@transact-online.co.uk)

- We may monitor your calls for training purposes or to improve our services. We are required to record incoming and outgoing calls for regulatory reasons and will retain recordings for as long as regulation requires. We will provide copies of calls to you upon request.

## Other information

### Complaints

- If for any reason you are not happy with our service, you may raise your concerns with us in the most convenient way for you. This includes in writing, by email, phone or in person. Please contact us at:

Integrated Financial Arrangements Ltd  
29 Clement's Lane  
London  
EC4N 7AE

**Telephone:** 020 7608 4900

**Fax:** 020 7608 5300

**Email:** [info@transact-online.co.uk](mailto:info@transact-online.co.uk)

- We will handle your complaint in line with our complaints procedure and the FCA rules governing complaints. We will provide a copy of our complaints procedure on request and will, in any case, send you a copy with our letter acknowledging your complaint.

- If we do not deal with your complaint to your satisfaction you can refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

**Telephone:** 0300 123 9 123

**Email:** [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**Website:** [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## Terms and Conditions

- This Key Features Document provides a summary of the Transact LISA. It does not include all the definitions, exclusions, and terms and conditions. These are shown in the Transact ISA Terms and Conditions
- If you would like a copy of this document please ask your adviser or us
- In the event of any conflict between the Transact ISA Terms and Conditions and the Key Features Document, the Transact ISA Terms and Conditions prevail.

## Law and Language

- The Transact LISA is governed by the law of England and Wales and English courts will have exclusive jurisdiction to decide any disputes that may arise
- The Transact ISA Terms and Conditions are in English, as all communications between us will be in English.

## Compensation

- The Transact LISA is covered by the Financial Services Compensation Scheme (the 'FSCS'). If we cannot meet our obligations to you, you may be eligible for compensation from the FSCS. This depends on the type of business and circumstances involved. Most types of investment business are covered up to a maximum of £50,000. Further information is available from the FSCS by contacting:

Financial Services Compensation Scheme  
PO Box 300  
Mitcheldean  
GL17 1DY

**Telephone:** 0800 678 1100

**Website:** [www.fscs.org.uk](http://www.fscs.org.uk)

## Integrated Financial Arrangements Ltd

- Integrated Financial Arrangements Ltd is authorised and regulated by the FCA and is entered on the Financial Services Register under number 190856
- Your adviser or discretionary investment manager will provide you with information regarding their identity, the capacity in which they are acting and their address for future communications.

## What your Transact LISA might be worth at age 60

- This table is designed to help you understand what the value of your Transact LISA might be worth at age 60 depending on your age when savings start. We have assumed you will contribute the maximum annual subscription at the beginning of each tax year up until age 50 together with the LISA government bonus
- This table will not be relevant to you if you are saving in a Transact LISA to purchase your first home
- The estimates are based on standardised rates of return and may not reflect your choice of investments. You can obtain more information about your investment choices from your adviser or by contacting us
- The estimated value at age 60 also includes the effect of our charges and inflation
- We have also assumed that:
  - No withdrawals are made
  - The investments purchased do not pay an income
  - Investments are purchased at outset and held for the periods shown
  - The Transact annual charge is 0.50%, reducing to 0.30% for portfolios that exceed £120,000, the rates stated may vary over time
  - The investments grow at rates of 0% and 5% per annum.

### These projections take into account our charges and inflation of 2.5% per annum

Age Lifetime ISA started	Total amount paid in	Total paid in including government bonus	Estimate fund at age 60 (0% return)	Estimate fund at age 60 (5% return)	A 5% return would reduce to
18	£128,000	£160,000	£75,147	£282,213	2.1%
25	£100,000	£125,000	£63,897	£202,592	2.1%
30	£80,000	£100,000	£54,406	£152,656	2.1%
35	£60,000	£75,000	£43,597	£107,853	2.0%
40	£40,000	£50,000	£31,174	£67,703	2.0%

The projection rates used in the illustration above are prescribed by the FCA. There is no guarantee that your investment will achieve the growth rates assumed in this illustration. The figures used are for illustrative purposes only to demonstrate the effect of our charges on your investment (these do not include any other applicable charges or fees, for example your adviser fees). This is a generic illustration and underlying charges will depend on the actual investments chosen.



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