

JUNIOR ISA

Key features

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The Financial Conduct Authority is the independent financial services regulator. It requires us, AJ Bell Securities Limited, to give you this important information to help you to decide whether our ISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Its aims

What is a Junior ISA ?

A Junior ISA is a savings vehicle designed to help you accumulate a sum of money through tax efficient investment in shares, investment trusts, unit trusts, gilts, corporate bonds and OEICs on behalf of a child. It gives you the opportunity to select and manage an investment portfolio from a wide range of choices.

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

Your commitment

What you have to do before opening a Junior ISA

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

You must ensure that any regular or single subscriptions paid do not exceed Junior ISA subscription limits.

You must agree to be bound by our Junior ISA terms and conditions and pay the charges set out in the Junior ISA charges & rates.

You must review regularly whether our Junior ISA remains appropriate.

Risks

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

The value of investments held in the Junior ISA and the income from them can fall as well as rise. You may get back less than the amount invested.

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 price of which can be more volatile and there may be a large difference between the buying and selling prices
- overseas investments, which may carry an exchange rate risk, and may be based in less well regulated jurisdictions and
- highly geared investments, the prices of which can be extremely volatile.

We do not provide investment advice as this is an execution only service. We do provide information about investments, but this is provided 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 a suitably qualified financial adviser.

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

You should note that the rules relating to the taxation of Junior 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 Junior ISA or you need advice, you must seek advice from a suitably qualified financial adviser.

Questions and answers

Could a Junior ISA be right for me?

Our Junior ISA could be right for you if you

- understand that money held in our Junior ISA cannot normally be taken out until the child reaches 18
- are looking to build up a portfolio of investments in a tax-efficient way
- understand that growth is not guaranteed
- require access to a wide range of investment opportunities, such as investment in a portfolio of listed stocks and shares.

If you have any doubts about the suitability of our Junior ISA you should contact a suitably qualified financial adviser.

Can I open a Junior ISA?

Only someone with parental responsibility for the child can set up a Junior ISA. This person must be aged 18 or over and be resident in the UK.

Our Junior ISA can be opened for anyone under the age of 18 and resident in the UK. If you hold a Child Trust Fund (CTF) the Junior ISA can only be opened if you intend to transfer the CTF.

What are the Junior ISA charges?

Please read the charges & rates of our Junior ISA.

What other terms and conditions apply?

Please see our Junior ISA terms and conditions.

Who can pay subscriptions into a Junior ISA?

Subscriptions can be made to our Junior ISA by any party. Subscriptions can be paid to our Junior stocks and shares ISA and to a cash Junior ISA in the same tax year. This is subject to a combined limit of £9,000 per tax year. Any subscriptions paid to the Junior ISA are treated as a gift to the child.

Once your Junior ISA is set up you can pay single and/or increase/decrease your regular subscriptions at any time, subject to the minimum and maximum subscription levels described below.

Are there any minimum subscription limits?

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

How can subscriptions be paid?

Single subscriptions can only be paid by debit card. We don't accept cheques as a payment option, any cheques we receive will be returned by post. Regular subscriptions must be paid monthly by Direct Debit. Subscriptions paid by Direct Debit will be taken on the first working day of the month.

Subscriptions cannot be paid in the form of shares or other investments.

What is the annual limit for Junior ISA subscriptions?

The annual limit for subscriptions is £9,000 in the 2022/23 tax year.

The subscriptions can be made to either a cash Junior ISA or a stocks and shares Junior ISA, or can be split between the two. A child may hold both a cash Junior ISA and a stocks and shares Junior ISA, but may not hold more than one of either type at any given time.

Transfers

Can I transfer an existing Junior ISA to you?

Yes. You can transfer an existing Junior ISA whether cash or stocks and shares, into a Junior ISA with us.

Please note that you will be responsible for instructing the ISA manager to make the transfer from your existing Junior ISA. It may take some time for us to receive the transfer payment from your existing ISA manager.

If your transfer to us includes any funds that are not clean funds, and a clean fund equivalent exists, we will convert these funds into their clean fund equivalent. If there is no clean fund equivalent we will hold the fund in its existing form until such time as an equivalent clean fund is created at which point we will be entitled to convert to the clean fund.

Can I transfer my Junior ISA to another Junior ISA provider?

A Junior ISA can be transferred to another Junior ISA regardless of whether the new Junior ISA is a cash or stocks and shares Junior ISA.

Can I transfer a Child Trust Fund (CTF) into a Junior ISA?

Yes, if you hold a CTF you can transfer this into a Junior 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

- shares (including AIM shares)
- funds (unit trusts and OEICs)
- government bonds
- corporate bonds
- permanent interest bearing shares (PIBS)
- investment trusts
- exchange traded funds

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 monthly in a wide range of investments, including the FTSE 350, selected funds, investment trusts and ETFs.

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

Please remember 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.

You are able to amend your regular investment instructions up until midnight on the 9th 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 Junior 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 Junior ISA.

How do I obtain a valuation of my Junior ISA?

You can obtain a valuation of your Junior 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 Junior ISA cannot invest directly in private (unquoted) shares or warrants.

You're not able to invest in complex financial instruments – such as securitised derivatives, convertible securities, structured products, short, leveraged or synthetic exchange traded products and specialist collective investments – in your Junior ISA.

You cannot borrow any money under your Junior ISA.

Withdrawing money from your Junior ISA

When can I take money out of a Junior ISA?

Cash cannot be taken out of a Junior ISA until the child is 18 years old. When the child reaches 18 the Junior ISA will be converted to an adult ISA under their control from which they can make withdrawals.

What happens if a child holding a Junior ISA dies?

Once we are advised of the death we must take steps to close the Junior ISA, as it ceases to be tax-exempt from the date of 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 details of the Junior ISA.

Basic rate tax will be payable on any growth or income from the Junior ISA after the date of their death. We will pay this to HMRC.

Miscellaneous

How secure is my money?

AJ Bell Securities Limited is the manager of your Junior 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 largest providers of low cost online investment platforms and stockbroker services in the UK.

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

Your right to change your mind

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

Cancellation rights will also apply to the receipt of transfer payments. You will have 30 days from the date that you receive our letter acknowledging the transfer to exercise your right to cancel.

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 subscription or transfer.

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

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

Email: enquiry@youinvest.co.uk

quoting your name and ISA reference number.

You must tell us whether you wish to cancel your Junior ISA or a specific transfer.

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

Are there any compensation arrangements covering my Junior ISA?

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

For bank deposits the maximum claim that could be made by your Junior 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 at www.fscs.org.uk.

Can you 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 you must contact a suitably qualified financial adviser. Your adviser will give you details about the cost of advice.

What if I have any further questions?

You must contact us at the address shown below or via www.youinvest.co.uk.

What if I have a complaint?

Customer satisfaction is very important to us and 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 Youinvest
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Tel: 0345 54 32 600

Email: enquiry@youinvest.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.

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 A J Bell Securities Limited are included in the ISA 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 enquiry@youinvest.co.uk

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