



Terms and Conditions

of the Stakeholder
Child Trust Fund

HealthyInvestment

ethical investments since 1835

Terms and Conditions of the Stakeholder Child Trust Fund

These are the full Terms and Conditions of the Healthy Investment Stakeholder Child Trust Fund. It is an important document which you should keep with your statements. You will also receive a Key Information Document which gives you the key information required by law to help you understand the nature, risks, costs, potential gains and losses of this Stakeholder Child Trust Fund and to help you compare it with other products.

We have made every effort to write these Terms and Conditions in plain English however, if you have any questions please contact this office and we will be able to help you.

These Terms & Conditions, together with the Application Form, form a legal agreement between you and Healthy Investment and sets out how the Child Trust Fund will be operated.

1. Healthy Investment

- 1.1 Healthy Investment is the trading name of The Rechabite Friendly Society Limited.
- 1.2 The organisation is an incorporated Society within the meaning of the Friendly Societies Act 1992 and is registered in the UK.
- 1.3 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 109994 and you can confirm this by visiting the FCA's website or by telephoning them on 0800 111 6768.
- 1.4 The European Union Solvency II Directive requires us to make available to the public a Solvency and Financial Condition Report each year. You can get a copy of this from our website www.healthyinvestment.co.uk
- 1.5 Healthy Investment is a mutual organisation which means that all members have a say in the way that the organisation is run. Through having this policy the child becomes a member of the Society. All adult members (aged 18 and over) receive an invitation to our Annual General Meeting and are entitled to vote on various issues, including the appointment of directors. As a Friendly Society we have a rulebook which sets out the way we are governed. You can request a copy of the rulebook at any time or download one from our website.
- 1.6 You can request a copy of our Annual Report and Accounts by contacting our office or you can download them from our website.
- 1.7 When the Society was formed in 1835 we only allowed members to join who signed a pledge to abstain from alcohol. Whilst we now allow anyone to join we still ask all our new adult members to sign, as part of their application, that they either drink alcohol moderately or abstain altogether. We also support a number of charitable initiatives that promote healthy living.

2. The contract with us

- 2.1 By signing the Application Form you enter into a formal legal contract with Healthy Investment. We are not obliged to accept your investment.
- 2.2 These Terms and Conditions come into force when your completed Application Form is accepted and validated and will normally be on the date of receipt.
- 2.3 If your Stakeholder Child Trust Fund was allocated to Healthy Investment by HM Revenue & Customs (HMRC), although you have not completed an Application Form, the receipt of money from HMRC in lieu of the voucher is taken as your agreement to these Terms and Conditions and forms the initial service agreement which asks us to manage the child's money for you. These terms come into force on receipt of the instructions from HMRC to open a Child Trust Fund (CTF) for the child.
- 2.4 Healthy Investment will act as the Account Manager for the Child Trust Fund. We will manage the CTF in accordance with the Stakeholder CTF standards published by HMRC.
- 2.5 An application to open a Child Trust Fund can only be made by the person with parental responsibility for the child, who becomes the Registered Contact, or by the child themselves if they are 16 and over.
- 2.6 In certain circumstances or with the permission of the existing Registered Contact it is possible to change Registered Contacts. Please contact us for further details.
- 2.7 You must ensure that all the information on your Application Form is correct. If it is not we may not be able to accept your contract in the first place or it may become void in the event of a claim.
- 2.8 We will send any notices or other correspondence to the address you have provided as Registered Contact or to a new address provided you have notified us in writing of the change. Notices and instructions to us should be in writing and signed by the Registered Contact.
- 2.9 Healthy Investment may appoint any person to advise on or perform any of its functions or responsibilities under these Terms and Conditions and may provide information about you and the account to such person. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms and Conditions is competent to carry out such functions or responsibilities.
- 2.10 In the case of legal disputes the law of England and Wales will apply.
- 2.11 Nothing in these conditions will reduce your statutory rights. For further information about your statutory rights contact your local authority's trading standards department or a Citizens Advice Bureau.
- 2.12 We can only vary these Terms and Conditions if we have a valid reason to change them. Examples of a valid reason would be to respond

proportionately to changes in taxation, insurance and other laws, decisions of the Financial Ombudsman Service, to meet regulatory requirements or to improve our service to you. We will write to you to give you advanced notice of the proposed change and provide an explanation.

- 2.13 Healthy Investment shall not be liable for any losses suffered by you through the fall in value of investments held within the CTF from changes in market conditions. However, we are responsible for any loss incurred as a result of fraud or wilful neglect on the Society's behalf.
- 2.14 We do not assess the suitability of the policy for your needs. If you have any doubts whether this Child Trust Fund is right for you or your needs you should seek financial advice.

3. Opening the Child Trust Fund

- 3.1 All children born in the UK between 1 September 2002 and 3 January 2011 should have been allocated a Child Trust Fund. Vouchers were issued to the person claiming Child Benefit, usually the parent. The voucher may have been used to open a Child Trust Fund with a provider or if the voucher was not claimed it may have been allocated to Healthy Investment or another provider of Stakeholder Child Trust Funds.
- 3.2 You may transfer a Child Trust Fund with another provider into a Healthy Investment Stakeholder Child Trust Fund. Stakeholder and Non-stakeholder CTFs can be transferred to Healthy Investment. To transfer a CTF to Healthy Investment a Healthy Investment Application Form must be completed. On receipt of a completed Application Form you will have 14 days in which to change your mind and cancel the transfer. After this period has expired the transfer will be processed.
- 3.3 An application to transfer a Child Trust Fund into a Healthy Investment Ethical Child Trust Fund can only be made by the Registered Contact, or by the child themselves if they are 16 and over.

4. Making additional contributions

- 4.1 You, family, friends and the child can make additional one-off or regular contributions to a Child Trust Fund.
- 4.2 The minimum single or regular top up you can invest is £10.
- 4.3 You can make additional one-off subscriptions by cheque, bank transfer or by debit card.
- 4.4 Regular monthly contributions can be made by cheque, bank transfer or Direct Debit. If you contribute by Direct Debit we will collect the subscription on the 1st or 15th of the month.
- 4.5 If you set up a regular payment into a CTF there is no contractual obligation to make further payments, you can start, stop or amend them at any time.
- 4.6 All payments into a CTF are a gift to the child. The child will be the beneficial owner of the investments held in the CTF. The contributor has no right to their return (after the cancellation period) or any benefit from the investment.
- 4.7 All amounts received will be invested by us in the Healthy Investment Stakeholder CTF Unitlinked

Life Fund at the latest Valuation Point (see section 12.1).

No interest is payable on your contribution prior to investment in the CTF.

5. Contribution limits

- 5.1 The government limits the amount that can be invested in a CTF every subscription year. This limit may increase every year. For details of the current annual limit see our website or contact us.
- 5.2 A subscription year means a year running from the child's previous birthday to the day before the next birthday. For the year in which the CTF is opened the subscription year starts from the date of opening and ends on the day before the child's next birthday. (For a child born on 29th February, the subscription year runs to 28th February for all years).
- 5.3 If any over subscriptions are received we will refund them to the payer or if we cannot identify the payer via the Registered Contact.
- 5.4 If a contribution is received and part or all of that contribution will exceed the subscription limit, then the contribution will be rejected. If possible, Healthy Investment will purchase units with part of the contribution, ensuring that the overall subscription limit is not exceeded.
- 5.5 Multiple over subscriptions will be dealt with in accordance with the guidance set out by HMRC.
- 5.6 Any part of the limit that is not used in a CTF account year is lost and cannot be carried forward or back to other years.

6. The investment

- 6.1 The Healthy Investment Stakeholder CTF is a life policy which invests in the Healthy Investment Stakeholder CTF Unitlinked Life Fund.
- 6.2 The Healthy Investment Stakeholder CTF Unitlinked Life Fund is 100% invested in a UK All-share Index Tracker Fund.
- 6.3 This means that the initial government contribution and any additional contributions are invested in a wide range of stocks and shares, as required by HMRC's Stakeholder CTF rules.
- 6.4 The title of the investments in the CTF will be registered in the name of Healthy Investment or, the name of our nominee. Any share certificate or other document evidencing title that may be issued will be held by Healthy Investment or as Healthy Investment may direct.
- 6.5 We can arrange for the Registered Contact to receive a fund fact sheet for any collective investments the Healthy Investment Stakeholder CTF Unitlinked Life Fund invests in or for them to receive a copy of the Annual Report and Accounts issued by companies in respect of shares, securities or units which are held directly in the CTF. We may make a reasonable charge for providing this service. Subject to any legal restrictions Healthy Investment will arrange, if the Registered Contact so elects, for them to attend shareholders', securities holders' or unit holders' meetings. Healthy Investment may make a separate charge for this.

7. Lifestyling

- 7.1** When the government launched Child Trust Funds they intended that Stakeholder CTFs would lifestyle the contributions from the child's 13th birthday, by gradually moving the money held into lower risk investments like government bonds, until all of the money was invested in lower risk investments by the child's 18th birthday. The idea was to try to protect the value of the account over the last 5 years, although it would have reduced the potential for the account to increase in value.
- 7.2** The government have announced that Stakeholder Child Trust Funds will now not be lifestyled.

8. Statements

- 8.1** We will send the Registered Contact a statement, in accordance with HMRC rules, showing the value of the Child Trust Fund and details of all transactions that have taken place since the previous statement. The statements will not include a measure of performance.
- 8.2** HMRC rules currently require statements to be sent to all CTF Registered Contacts in the year of the child's 4th, 10th and 15th birthday. Annual statements will not be sent automatically if the CTF has not received any additional contributions since the last statement date or the value of the CTF is less than £300. HMRC may change these rules in the future.
- 8.3** We will send a closing statement if you transfer the CTF from Healthy Investment to another provider.
- 8.4** We publish the price of units on our website or you can request a statement showing the value of the investment at any time.

9. Transferring the Child Trust Fund

- 9.1** You can transfer a Child Trust Fund with another provider to Healthy Investment.
- 9.2** You can transfer a Healthy Investment Stakeholder CTF to a Healthy Investment Ethical CTF, which is not a Stakeholder CTF. To do this the Registered Contact needs to complete a Transfer Application Form which is available from us. On receipt of the transfer form you will have 14 days in order to change your mind after which the transfer will be made.
- 9.3** You can transfer your Healthy Investment CTF to a CTF with another provider, without loss of tax status. If we receive your written instruction from the other provider we will sell the investment and send the proceeds direct to your new provider.
- 9.4** You may be able to transfer your CTF into a Junior ISA with Healthy Investment or with another provider.
- 9.5** The CTF cannot be transferred to another person.

10. Withdrawing from the Child Trust Fund

- 10.1** Only the child can access the money when they reach the age of 18. Withdrawals are not permitted prior to 18 except in cases of terminal illness (see section 10.5).
- 10.2** On or after their 18th birthday the child can access all or part of the monies invested in their CTF.
- 10.3** If all or part of the funds are not withdrawn the

monies will remain invested and roll over into an ISA investment.

- 10.4** In the unfortunate event of the death of the child before their 18th birthday, the tax exemptions of the CTF cease. When we are informed of the death, the account will close and no further tax benefits shall accrue. 101% of the proceeds of the CTF will be payable to or at the direction of the child's legal personal representatives once they have established their title to the payment.
- 10.5** The Registered Contact may be able to make withdrawals from the Child Trust Fund for the benefit of the child, if the child has been or is accepted by HMRC as entitled to the terminally ill persons entitlement of the care component of disability living allowance, or you have received a letter from HMRC authorising withdrawals under the Treasury's regulations. The investment balance will be permitted to reduce to nothing. The CTF will still be able to accept contributions while any withdrawals are being made under this condition.

11. Fund management charges & expenses

- 11.1** Healthy Investment makes an annual charge of 1.5% of the balance of the Child Trust Fund for managing the CTF. This is the limit currently set by HMRC. We can only increase the charge if we have a valid reason and with HMRC approval and after we have given you 90 days notice in writing.
- 11.2** Healthy Investment may reduce the annual charge and we will notify you of any reduction when we next issue a statement.
- 11.3** Other fees and charges are taken from the Fund and reflected in the unit price. These are any stamp duty, stamp duty reserve tax or other charges incurred directly or indirectly in the sale or purchase of investments held in the CTF.

12. Unit prices

- 12.1** The price of units held within the Healthy Investment Stakeholder CTF Unit-linked Life Fund is calculated at least weekly. This is called the Valuation Point. Unit prices are published weekly on our website www.healthyinvestment.co.uk.
- 12.2** Once the CTF is open, the price that will be used for any purchase or encashment of units is the price on the first Valuation Point after Healthy Investment receives the payment and all required paperwork.
- 12.3** Units are single priced. This means that the price at which units are bought and sold is the same.
- 12.4** The number of units allocated to your policy will be calculated by dividing the amount you are investing by the appropriate unit price.
- 12.5** The price of units at any time reflects all management charges.
- 12.6** Further information on unit pricing is available in our short booklet 'A Guide to How We Manage Our Unit-linked Funds'.

13. Void CTF accounts

- 13.1** We will void the CTF if told to do so by HMRC. We will notify the Registered Contact if, by reason or any failure to satisfy the provisions of the CTF

regulations, a CTF has, or will, become void.

- 13.2** If any of the details on the Application Form are incorrect or missing, Healthy Investment may not be able to set up the CTF.
- 13.3** If, after the CTF is set up, we find that any of the details supplied on the Application Form were incorrect, the account may be deemed invalid.

14. Data protection

- 14.1** The information you provide us with will be held by Healthy Investment.
- 14.2** It will be used for setting up and administering the CTF and any subsequent policies. Some information from credit reference agencies may be used to establish your identity in accordance with anti-money laundering rules.
- 14.3** We may be required by law to disclose information regarding you or your policy to the regulatory authorities.
- 14.4** If you have arranged this policy through a financial adviser we will continue to share information with them to enable them to give you advice, until you tell us otherwise.
- 14.5** We will not share your information with other third parties for marketing purposes.
- 14.6** The Society may contact you in the future by our own adviser, by post or telephone, regarding your investment, financial and insurance needs. If you do not wish to receive this information then please notify us.
- 14.7** The Society may also want to contact you by email. If you would like to receive information in this way please notify us.
- 14.8** We may record or monitor your telephone calls with us for training or compliance purposes.

15. What about tax?

- 15.1** Under current regulations, all investments held in a CTF are free from Income and Capital Gains Tax for UK residents, and the child will have no personal tax liability on their 18th birthday provided they are resident in the UK.
- 15.2** The CTF and the income and gains from that account will not affect family benefit and tax credits during the time the CTF is open.
- 15.3** The current tax treatment of CTFs is not guaranteed to continue in the future.

16. Complaints

- 16.1** Whilst we make every effort to provide quality products and service we recognise that on occasion things do go wrong.
- 16.2** If for any reason you are not satisfied you should contact us (see section 19) and we will try our best to sort out your problem.
- 16.3** We have a formal complaints procedure and you can have a copy of this whenever you want simply by contacting us.

- 16.4** If we do not deal with your complaint to your satisfaction you may refer your complaint to the Financial Ombudsman Service. Their address and contact details are:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567

Web: financial-ombudsman.org.uk

- 16.5** Making a complaint will not prejudice your right to take legal proceedings.

17. Compensation

- 17.1** The Society is covered by the Financial Services Compensation Scheme.
- 17.2** The scheme currently guarantees 100% of all your benefits with the Society in the very unlikely event that the Society is unable to meet its commitments.
- 17.3** Further information is available from us or from the Financial Services Compensation Scheme.
- 17.4** Of course, the rules of the FSCS and whether the FSCS exists may be changed by future legislation.
- Financial Services Compensation Scheme**
PO Box 300
Mitcheldean
GL17 1DY
Telephone: 0800 678 1100
Web: fscs.org.uk

18. Client categorisation

- 18.1** As a member of the Society we must assign a client classification to you. The available classifications are retail client, professional client and eligible counterparty. We have classified you as a retail client which gives you the highest level of protection under current legislation.

19. Contact us

- 19.1** There are a number of ways in which you can contact us:
- Healthy Investment**
2 The Old Court House
Tenterden Street
Bury
BL9 0AL
Telephone: 0161 762 5790
Fax: 0161 764 3557
Email: enquiries@healthyinvestment.co.uk
Web: healthyinvestment.co.uk
- 19.2** Our office is open Monday to Friday from 9am until 5pm. An answerphone is available outside of these hours.



2 The Old Court House,
Tenterden Street,
Bury BL9 0AL
Tel: 0161 762 5790
Fax: 0161 764 3557
Email: enquiries@healthyinvestment.co.uk
www.healthyinvestment.co.uk

Healthy Investment is the trading name of The Rechabite Friendly Society Limited, an incorporated friendly society (register no. 218f).
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Financial Services Register no. 109994.

HealthyInvestment
ethical investments since 1835