

**Ethical
Sustainable
Responsible**



Terms and Conditions
of the Ethical ISA

HealthyInvestment

ethical investments since 1835

Terms & Conditions of the Healthy Investment Ethical ISA

These are the full Terms and Conditions of the Healthy Investment stocks and shares (series 4) Ethical ISA. It is an important document which you should read and keep with your Policy Document. You will also receive a Key Information Document which gives you the information required by law to help you understand the nature, risks, costs, potential gains and losses of this stocks and shares ISA and to help you compare it to other products. We have made every effort to write these Terms and Conditions in plain English however, if you have any questions please contact us and we will be able to help you.

1. Healthy Investment

1.1 Healthy Investment is the trading name of The Rechabite Friendly Society Limited.

1.2 The organisation is an incorporated Friendly 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 no. is 109994. You can confirm this by visiting the FCA website or by calling them on 0800 111 6768.

1.4 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 you become 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 www.healthyinvestment.co.uk

1.5 Every year the Society produces a Solvency and Financial Condition Report which includes important information on the financial performance, solvency and governance of the Society. You can download a copy from our website or request a copy from our office.

1.6 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 members to sign, as part of their application, that they either drink alcohol moderately or abstain altogether.

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 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.

2.3 In the case of legal disputes the law of

England and Wales will apply.

2.4 Nothing in these Terms and 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.

2.5 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 advance notice of the proposed change and provide an explanation.

2.6 The ISA investments will be, and must remain, in the beneficial ownership of the investor and must not be used as security for a loan.

2.7 The policy, or the rights conferred by the policy and any share or interest in the policy or rights respectively, other than the cash proceeds from termination or part surrender of the rights conferred, cannot be transferred to the investor.

2.8 The policy, the rights conferred by the policy and any share or interest in the policy or rights respectively, are not capable of assignment or assignation (other than that the policy may be transferred from one ISA manager to another in accordance with the normal rules on ISA transfers) and the rights may vest in the personal representatives of a deceased investor. They cannot be put into trust.

2.9 Healthy Investment, the ISA manager, will satisfy itself that any person to whom we delegate any of our functions or responsibilities under the terms agreed with you the investor is competent to carry out those functions and responsibilities.

2.10 Healthy Investment must notify you the investor if, by any reason of any failure by either party to satisfy the provisions of the ISA regulations, an ISA has, or will, become void.

2.11 We do not assess the suitability of the ISA for your needs. If you have any doubts whether this ISA is right for you or your needs you should seek financial advice.

3. Length of contract and age restrictions

3.1 In accordance with HMRC rules only UK

- residents or Crown employees serving overseas, aged 18 or over can invest in a stocks and shares ISA.
- 3.2 If after opening your ISA you move overseas or you are not sure about your residency status contact us or HMRC for further information.
- 3.3 There is no maximum age for investing in the Healthy Investment ISA.
- 3.4 There is no minimum or maximum term. The policy will continue from year to year unless you suspend it or cash it in. You should however consider this to be a medium to longer term investment.
- 3.5 Contributions to the ISA can be stopped and recommenced at any time.
- 3.6 If no contribution has been received for one full tax year then a new application form will need to be completed and a new policy started.
- 4. Paying your investment premium**
- 4.1 There is flexibility in the way you can invest in your Healthy Investment ISA. You can pay your single premium investment by cheque or by bank transfer.
- 4.2 You can pay your regular monthly premiums by Direct Debit.
- 4.3 We will use the first available date, after giving you the required 10 working days notice, to collect your regular premium, however if you prefer a different date just let us know.
- 4.4 Direct Debits are governed by very strict rules and are subject to the Direct Debit Guarantee. This means that we will give you 10 working days written notice of any changes to your Direct Debit and in the event of any error you are entitled to a full refund.
- 4.5 We also accept, in the event of the death of your spouse, additional permitted subscriptions.
- 5. Minimum and maximum investments**
- 5.1 The minimum monthly investment is £25.
- 5.2 The minimum initial single investment is £500.
- 5.3 The minimum occasional one-off top up is £25.
- 5.4 Due to the tax advantages of investing in an ISA the government limits the amount you can invest each year. For details of the current limit please refer to our website, or contact this office or HMRC.
- 5.5 In each tax year you can only invest in a stocks and shares ISA with any one provider.
- 5.6 Whilst you can also have a Cash ISA, Lifetime ISA or an Innovative Finance ISA with another provider the total you can save in these added together cannot exceed the annual limit.
- 5.7 Once the ISA has been taken out you have the flexibility to change or suspend the amount of any regular investments. You are not committed to making regular contributions for a fixed period of time.
- 5.8 Transfers in from other ISA providers are accepted subject to it being eligible and a maximum transfer value of up to £500,000.
- 6. The investment**
- 6.1 After your application is accepted you will receive a notice from us explaining your right to cancel the policy. You then have 30 days in which to change your mind. If you cancel your policy within this 30 day period you will receive a full refund of any money you invested.
- 6.2 If you have arranged your ISA through a financial adviser any fees you have agreed to have paid from your ISA cannot be refunded by Healthy Investment.
- 7. Cashing in or withdrawing from your policy**
- 7.1 The Healthy Investment ISA can be fully cashed in at any time and whilst the ISA should be considered a medium to long term investment there are no early withdrawal charges if you choose to withdraw from it at any time.
- 7.2 You can ask us at any time what you would receive if you cashed in the policy. This is called a surrender value.
- 7.3 When you cash in the policy the amount you receive will be all your investments plus all the regular bonuses we have added, including the interim bonus for the current year, plus any final bonus that might also be payable, less any withdrawals you have made, any fees deducted and paid to your financial adviser and our charges. This might then be reduced by any Market Value Reduction (MVR) that we apply, see section 9.
- 7.4 The level of interim and final bonus can change at any time.
- 7.5 You can also take out part of the money from your ISA, subject to a minimum one-off or regular (monthly, quarterly, annually) withdrawal of £100.
- 7.6 Requests for full or partial withdrawals must be made in writing. If a MVR would apply to your full or partial withdrawal we will advise you prior to processing your request.
- 7.7 Inflation will reduce what the proceeds of the ISA will buy in the future.
- 7.8 What value you get back will depend on the length of time you hold the investment, the investment growth and charges applied. You may get back less than you invested.
- 8. Financial adviser's fees**
- 8.1 If your financial adviser has charged you for their advice or for arranging or monitoring the performance of your investment we are able to facilitate the payment of their fees.
- 8.2 Fees can be remitted by us prior to making your investment.

- 8.3 Initial and regular withdrawals for the agreed charges can be deducted from your investment.
- 8.4 If you exercise your 30 day right to cancel the investment we will not return any adviser fees agreed with your adviser.
- 8.5 You can cancel any withdrawals for adviser fees at any time by writing to us.
- 9. Market Value Reductions (MVR)**
- 9.1 If you cash in all or part of your ISA we may apply a MVR to your investment. This will reduce the amount of money you receive back and may mean that you get back less than you invested.
- 9.2 Whilst we smooth the investment return you receive so that you are less exposed to investment market volatility, we might have to apply a MVR if the value of investments have fallen more than the range within which we are able to smooth the return you receive.
- 9.3 Any MVR is designed to ensure that the amount you receive is fair and reflects the value of the actual investments that make up your share of the With-profits Fund and that those members leaving their investment in the fund are not disadvantaged by those withdrawing.
- 9.4 Up to 1% per annum of the value of the investment can be withdrawn for fees to be paid to your financial adviser without any MVR being applied.
- 9.5 MVRs are never applied on the death of an investor.
- 10. Transferring an ISA**
- 10.1 You can, subject to the other provider's terms and conditions, transfer a cash or stocks and shares ISA with another provider to Healthy Investment's Ethical ISA. The maximum transfer we accept is £500,000.
- 10.2 If your spouse has died you may be able to transfer their ISA to you without affecting your annual ISA allowance.
- 10.3 You can transfer all or part of your Healthy Investment ISA to another ISA depending on the new ISA manager's terms and conditions.
- 10.4 If you transfer all or part of your ISA to another provider it may be subject to any MVR in force at the time of the transfer.
- 11. Life assurance**
- 11.1 Whilst primarily an investment this policy includes life assurance on the life of the investor, which means that should the investor die, an amount will become payable to the estate.
- 11.2 This amount will be the greater of 101% of the amount you have invested, less any withdrawals you have made, or the full value of ISA at the date of death. We guarantee never to apply a MVR at the date of death.
- 11.3 Life assurance cover commences on our acceptance of the investment.
- 11.4 Once the policy has paid out on death it would end and would have no further value and our contract with you will end.
- 11.5 On the death of an investor the policy remains as part of your ISA investments until a valid claim is made by the executors of the estate. Any interest paid by the Society because of a delay in paying the claim is not exempt from tax and must be paid or credited under deduction of tax at the basic rate where appropriate.
- 11.6 If you die, your surviving spouse may, under HMRC's additional permitted subscription rules, be able to increase the amount they can invest in the ISA year by the amount held in your ISA.
- 12. Bonuses**
- 12.1 The Healthy Investment ISA is a With-profits investment. This means that the investment grows through the bonuses which are added.
- 12.2 There are three different types of bonuses, regular (reversionary) bonuses, interim and final (terminal) bonuses.
- 12.3 Your investment is placed within Healthy Investment's Ethical With-profits Fund which is invested in a mix of UK and overseas stocks and shares, government and company fixed interest bonds, commercial property and bank deposits. The percentage of each type of asset class held changes over time based on the view of the Board, Investment Managers and our With-profits Actuary. The mix of assets in the With-profits Fund is published on the Society's website on a regular basis.
- 12.4 All income is reinvested in the Fund.
- 12.5 At the end of every year our With-profits Fund is valued and a bonus rate is agreed by the Board, after taking professional advice from our With-profits Actuary.
- 12.6 The level of bonus depends mainly on investment performance but is also affected by the degree to which we have smoothed the investment return, the costs of managing your investment and the Society and the financial solvency position of the Society, as well as the Board's expectations of future performance.
- 12.7 The rate of bonus can change every year and could in exceptional circumstances be less than the annual management charge.
- 12.8 The Board aims to provide a stable return by smoothing the investment return to avoid volatile fluctuations in the value of your investment. We do this by holding back some of the investment return in years of high returns so that we might be able to increase the value of your ISA in years of low investment returns. Smoothing may not protect

you against long term or sustained falls in the value of investments.

- 12.9 When a regular bonus has been added to your policy it can never be taken away.
- 12.10 We will write to you every year to tell you the level of bonus that has been added to your policy.
- 12.11 The bonus is calculated each year as a percentage of your fund value.
- 12.12 Your fund value is the value of your investment plus the regular bonuses that have been added, less the charges we make for managing your investment and any withdrawals you have made.
- 12.13 An additional final bonus may also be added on partial and full withdrawals or in the event of the death of the investor. The rate of final bonus can be changed at any time.
- 12.14 If you withdraw from your ISA part way through a year you may also receive an interim bonus which is based on the Board's best estimation of what the reversionary bonus might be when it is declared. The rate of interim bonus can change during the year and there is no guarantee that the reversionary bonus declared will be the same as the interim bonus rate.
- 12.15 The principles which Healthy Investment follows in managing its With-profits Fund include: managing the fund and determining bonus payments in a lawful, sound and prudent manner, treating all policyholders fairly and ensuring that we can pay all guaranteed benefits when they become due. You can obtain a copy of our Principles and Practices of Financial Management, which gives you more information on how we manage our With-profits Fund and calculate bonuses, from this office or from our website.

13. Charges

- 13.1 The charge that Healthy Investment makes will be deducted from the value of your investment.
- 13.2 The charges we make include the cost of setting up and running the ISA, administration and investment management, as well as a contribution to the overheads of Healthy Investment. Healthy Investment pays some of its staff involved in insurance distribution a fixed salary and bonus. If you have been introduced to the Society by a registered introducer they may receive a commission or fee from us.
- 13.3 Part of the charges we deduct from your ISA is used to pay for the cost of life cover which is automatically included.
- 13.4 Healthy Investment is a mutual insurer and its members who have With-profits policies share in the profits and losses of the Society. The Board will try and smooth the effect of profits and losses on bonuses. Our Principles and

Practices of Financial Management explains more about this.

- 13.5 At present we deduct 1.4% of the fund value from your bonus each year to cover our charges. As this is a With-profits policy this charge can be reduced or increased by the Board dependent upon the actual costs incurred by Healthy Investment.
- 14. **Tax**
 - 14.1 If you cash in all or part of your ISA, you will not, under current tax legislation, have a tax liability on the proceeds. The value is paid out free of all UK Income and Capital Gains Tax and you do not need to declare income or gains from your ISA on your tax return.
 - 14.2 Under current legislation the Fund in which your premiums are invested is not taxed on any investment income or capital gains other than overseas with-holding tax.
 - 14.3 There is a possibility that legislation may be changed in the future by HMRC or the government.
 - 14.4 If you are in any doubt about the tax implications of investing in this ISA we recommend that you seek professional tax advice.
- 15. **Ethical investment**
 - 15.1 Healthy Investment is an ethical provider of ethical investment products. Our website includes details of how we manage our business and investments ethically.
- 16. **Data protection**
 - 16.1 The information you provide us with will be held by Healthy Investment.
 - 16.2 It will be used for setting up and administering your policy. Some information from credit reference agencies may be used to establish your identity in accordance with anti-money laundering rules.
 - 16.3 We may be required by law to disclose information regarding you or your policy to the regulatory authorities.
 - 16.4 If you have been introduced to Healthy Investment by an Introducer we will notify them that your policy has gone live and of any subsequent cancellation. We will not share any other information with them.
 - 16.5 If you arranged this policy through an FCA authorised financial adviser we will share information with the adviser on the performance of your policy unless you tell us otherwise.
 - 16.6 We will not share your information with other third parties for marketing purposes. The Society may contact you in the future by post, telephone or email, regarding your investment, financial and insurance needs. If you do not wish to receive this information then please

- notify us.
- 16.7 If you would prefer to receive information by email please let us know.
- 16.8 We may record or monitor your telephone calls with us for training or compliance purposes.

17. Complaints

- 17.1 Whilst we make every effort to provide quality products and service we recognise that on occasion things do go wrong.
- 17.2 If for any reason you are not satisfied you should contact us (see section 20) and we will try our best to sort out any problem.
- 17.3 We have a formal complaints procedure and you can have a copy of this whenever you want simply by contacting us.
- 17.4 If we do not deal with your complaint to your satisfaction you can then 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
- 17.5 Making a complaint will not prejudice your right to take legal proceedings.

18. Protection

- 18.1 The Society is covered by the Financial Services Compensation Scheme (FSCS).
- 18.2 The scheme guarantees 100% of all your benefits with the Society in the very unlikely event that the Society is unable to meet its commitments.
- 18.3 The rules of the FSCS and whether the FSCS exists at all may be changed in the future by the government.

- 18.4 Further information is available from us or the FSCS. Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY Telephone: 0800 678 1100 Web: fscs.org.uk

19. Client categorisation

- 19.1 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.

20. Contact us

- 20.1 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

- 20.2 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

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