

Key Product Summary

Account name	Interest rate
Lifetime ISA	3.79% AER/Gross*

Access to your money	Interest paid	Interest earned on balances of
Anytime, with penalty if not for your first home or for retirement	31 st December	£1+

Age requirement	Type of rate	Maximum deposit
18-39 to open the account	Variable	£4,000 in the current tax year

Restrictions	
You must be 18-39** to open the account	You must withdraw to buy your first home or for retirement

Is this the right product for you?

*AER stands for **Annual Equivalent Rate** and shows what the interest rate would be if interest was paid and compounded once each year. The **gross rate** is the interest rate payable before tax.

**You must apply for the account at least 14 days before your 40th birthday.



Protected

Key Product Summary

The Lifetime ISA can be used for both first time home purchases and saving for retirement.

Why might this account be right for me?

- You have never owned a home before.
- You want to buy a home in the UK worth up to £450,000.
- You want to buy your first home with a residential mortgage.
- You want to save money for retirement.
- You want to save for your first home but would like to be able to save for retirement afterwards.
- You are 18 or older, and younger than 40 years old.

Why might this account not be right for me?

- You have owned a home before.
- You want to buy a home worth more than £450,000.
- You want to buy your first home within the next 12 months.
- You want to buy your first home without a residential mortgage.
- You do not have any spare cash set aside for unexpected bills or emergencies.
- You want to use the money in the account for something other than buying your first home or saving for retirement.

You can find more information in **Sections A – N** at the end of this document. If you have any questions about our Lifetime ISA, you should contact us before you apply.

Email: savings@bibs.co.uk

Live Chat: www.bathbuildingsociety.co.uk

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Key Product Information

Lifetime ISA

	Balance	Interest earned
	£1+	3.79% AER/Gross*, per annum
What is the interest rate?	<p>We calculate the interest daily and pay it annually on 31st December. Interest will be added to your account.</p> <p>*AER stands for Annual Equivalent Rate and shows what the interest rate would be if interest was paid and compounded once each year. The gross rate is the interest rate payable before tax.</p>	
Can Bath Building Society change the interest rate?	<p>The interest rate is variable, so it can go up or down at any time.</p> <p>For more details about why we might change the rate, you should read your Savings Terms & Conditions.</p>	
What would the estimated balance be after 12 months based on a £1,000 deposit?	<p style="font-size: 1.2em; font-weight: bold;">£1,037.90</p> <p>This would be the balance after 12 months if £1,000 was paid in, all interest was paid back into the account, there was no change to the interest rate and no money was taken out or paid in.</p> <p>ISA means Individual Savings Account. When you pay money into your ISA, you subscribe to your ISA. Your payments are called subscriptions. As it is tax free, you get to keep all your interest.</p> <p>The government will pay a 25% bonus on your subscriptions each tax year. This is not included in the figure above. You can find more information about the bonus in Section G.</p> <p>This is just an example to help you compare accounts. It does not take into account what you may do with the money in your account.</p>	
How do I open and manage my account?	<p>You must be a UK resident for tax purposes to open this account, or be a Crown Employee serving overseas. You can also open this account if you are in a marriage or civil</p>	

partnership with a Crown Employee. You can open it with as little as £1.

This account can only be opened by you. You cannot have a joint account.

To make sure you don't miss out because of the age limit, you must apply at least 14 days before your 40th birthday. You will also need to make sure any initial funds are deposited in the account before your birthday.

This is a **Cash Lifetime ISA**. You can only **subscribe** up to the maximum ISA allowance each tax year. The Lifetime ISA allowance for 2023/2024 is **£4,000**.

Your **subscriptions** can be split between **Cash ISAs** and **Stocks and Shares ISAs** up to the overall ISA allowance. We do not offer Stocks and Shares ISAs.

You can pay into your Lifetime ISA each year before your 50th birthday.

You can open an account on our **website**, using our **Mobile App**, or by visiting one of our **Branches** in Bath. You cannot transfer your existing Lifetime ISA into this account.

If you change your mind, you can let us know to close the account. **You must let us know within 30 days of your first payment**. If this happens, you will not have to pay the 25% charge and you can open another Lifetime ISA in the same tax year.

You can manage the accounts you hold with us through Bath Online, or by using our Mobile App. You can register for Bath Online on our website, and you can register for the Mobile App on your smartphone.

Can I withdraw money?

This is an **instant access** account.

If you take out money before you are 60 years old but are not buying your first home, **there is a charge for 25% of the amount you withdraw**. You can find more information about **why you may get back less than you pay in** in **Sections A and B**.

You can take out money whenever you wish in a Branch, up to a maximum of £500 without telling us first. If you tell us first, you can withdraw up to £2,000 the next day. **There may be a charge for 25% of the amount you withdraw**. You can find more information about **why you may get back less than you pay in** in **Sections A and B**.

You can withdraw by cheque from our Branches. There is no limit to how much you can withdraw. **There may be a charge for 25% of the amount you withdraw.** You can find more information about **why you may get back less you than you pay in** in **Sections A and B.**

You can also ask us to make a faster payment to your nominated account. This can be done on **Bath Online**, through the **Mobile App**, or in a **Branch**. You can also send us a signed letter in the post. **There may be a charge for 25% of the amount you withdraw.** You can find more information about **why you may get back less you than you pay in** in **Sections A and B.**

You can only have **one nominated account**. You should choose the best account for your money to be paid in to.

This is **not a flexible ISA**. If you take money out of your account, it does not change the subscription limit. For example, if you put £2,000 in this account and take out £1,000, you can only put in another £2,000.

You can transfer previous tax year **subscriptions** to another ISA provider. After you speak to your new ISA provider, they will let us know so we can make the transfer.

We do not give passbooks for accounts opened through Bath Online or the Mobile App. You can let us know if you would like a passbook by contacting our Customer Support department.

Additional information

You cannot open another Lifetime ISA after you are 40 years old. You will need to keep at least £1 in your account after this age to keep your Lifetime ISA account open.

The Lifetime ISA is a government savings scheme. It may change in the future.

This account allows for **Additional Permitted Subscriptions (APS)**. This means that if a customer with an ISA dies, their spouse or civil partner can apply to use their allowance. You can find out more by talking to our Customer Support Department.

This account is protected by the **Financial Services Compensation Scheme (FSCS)**. You should read your FSCS Information and Exclusions sheet for more information about how your money is protected.

This account is a **savings account**, which means it is meant to be used to help you save money for when you need it. It is not intended for making day-to-day transactions.

You should read your **Savings Terms & Conditions** to fully understand how your account works.

We can close an account at any time if you don't use the account as intended, or if you act inappropriately, such as abusive behaviour.

Further Information and Frequently Asked Questions

Section A

How does the government withdrawal charge affect my savings?

If you take out money before you are 60 years old but are not buying your first home, **there is a charge for 25% of the amount you withdraw**. You will also lose some of your own savings, and you will get back less than you put in.

You open your account with us with £4,000.	£4,000
The government adds your bonus.	£1,000
You now have:	£5,000
You want to close the account and take the full amount.	
The government withdrawal charge is 25% of the amount.	-£1,250
You now have:	£3,750

In this example, you started with **£4,000** and ended with **£3,750**. This means you lost **£250**.

This example does not include any interest you might have earned.

Section B

You cannot take money from your Lifetime ISA unless:



When does the government withdrawal charge not apply?

- You are diagnosed with a terminal illness.
- You use your Lifetime ISA to help buy your first home. You can find more information about using your Lifetime ISA to buy your first home in **Section C**.
- You are 60 years old.

Section C

When can I use my Lifetime ISA to buy my first home?

You can use your Lifetime ISA to help buy your first home without paying the government withdrawal charge. To do this, you must make sure:

- You made your first payment into your Lifetime ISA **at least 12 months** before instructing your conveyancer.
- The property you are buying does not cost more than £450,000.
- The property is being purchased in the UK with a residential mortgage. You can only use a Buy to Let mortgage if you or your spouse/civil partner are a UK crown employee serving overseas and will use the property as your main residence in the future.
- You occupy the property as your main residence straight away when your purchase completes. If you or your spouse/civil partner are a UK crown employee serving overseas, you must intend to use the property as your main residence in the future.

If you are buying your first home with someone else, you may both be able to use your own Lifetime ISA. If one or both of you has owned a property before, you would need to pay the government withdrawal charge.

Section D

Can I make more than one withdrawal when I buy my first home?

Yes, you can make more than one withdrawal before your purchase completes. You will not have to pay the government withdrawal charge if it is to help buy your first home. There is no minimum withdrawal amount.

Your conveyancer will send us a declaration that the money from your Lifetime ISA is being used for a house purchase. You can find more information about this in **Section E**.

Section E

You will need to let your conveyancer know that you want to use your Lifetime ISA to help buy your first home. You will let them know whether you want to use all or part of your Lifetime ISA. This will be part of your **declaration**.

How do I make the withdrawal to buy my first home?

Your conveyancer must give us the **declaration** at least 30 days before your home purchase completes. You must make sure they send this to us in time to make the withdrawal. The conveyancer should do this as part of the buying process.

When the conveyancer sends us the **declaration**, we will contact you to confirm you want to withdraw. If you are happy with the withdrawal, we will pay the amount you chose to your conveyancer within 30 days. **This will not incur the government withdrawal charge.**

The Lifetime ISA can be used for both buying your first home and saving for retirement. If you close your Lifetime ISA after you are 40 years old, you will not be able to open another Lifetime ISA. You will need to keep at least £1 in your account after this age to keep your Lifetime ISA account open to save for retirement.

Section F

What happens if my purchase is delayed or falls through?

If the purchase does not complete within 90 days of the withdrawal, your conveyancer must tell us. They must also return the money to us to put back in your Lifetime ISA.

You might need an extension if the purchase does not complete within 90 days of the withdrawal. Your conveyancer should let us know and ask for an extension. We will return the money to a Lifetime ISA on offer at the time if your Lifetime ISA is closed.

Section G

When is the 25% government bonus paid into my account?

The bonus is paid into your account within 4-9 weeks after the end of each month. We will claim the 25% bonus from HM Revenue and Customs (HMRC) and add it to your account when we receive it.

The bonus is based on the money you paid into your Lifetime ISA in the month. If you did not pay in any money, no bonus will be added. You can receive a bonus on all **subscriptions** to your Lifetime ISA that you make before your 50th birthday.

Section H

What happens if my circumstances change and I don't need a Lifetime ISA to buy a home?

You can use your Lifetime ISA to save for retirement if you do not want to use it to buy your first home. You might change your mind if you inherit a house, for example.

You need to decide if using your Lifetime ISA to save for retirement is the right option for you. You should read **Sections I and J** to understand the risks of using a cash Lifetime ISA for retirement.

Section I

What are the risks of using a Lifetime ISA for retirement savings?

If you want to use your Lifetime ISA to save towards retirement, you need to think about:

- When do you want to retire?
- What else are you doing to get ready for retirement? Are you paying into a pension?
- Will a cash Lifetime ISA give you enough money to meet your savings goals? Will it give you enough money to retire?

You can have a stocks and shares Lifetime ISA, but not at Bath Building Society. We only offer cash Lifetime ISA accounts.

You should regularly think about whether your Lifetime ISA is right for you, especially if your circumstances change.

A cash Lifetime ISA may not be the best option for retirement or long term savings. There are other options which may be better for you. **You should speak to an independent financial adviser before making any decisions about your pension planning.**

You can find more information at www.gov.uk/lifetime-isa

Section J

Can I open both a Lifetime ISA and a Help to Buy ISA?

Yes, but you can only use the bonus from one of these to buy your first home.

The Help to Buy ISA was withdrawn on 30th November 2019. If you have a Help to Buy ISA, you can keep saving into it until 30th November 2029.

We do not offer a Help to Buy ISA. You can find more information on them at <https://www.helptobuy.gov.uk/help-to-buy-isa/how-does-it-work>

Section K

Can I transfer my Help to Buy ISA to a Bath Building Society Lifetime ISA?

No, as we do not currently accept ISA transfers in.

Section L

Does a Lifetime ISA allow flexible withdrawals?

No, a Lifetime ISA does not allow flexible withdrawals. When you take money out, your overall ISA subscription does not change.

Section M

How do I operate my account?

If you take out money before you are 60 years old but are not buying your first home, **there is a charge for 25% of the amount you withdraw**. You can find more information about **why you may get back less you than you pay in** in **Sections A and B**.

If there is any problem with opening your account before you pay money in, we will close the account after 60 days. This means you will not have **subscribed** to a Lifetime ISA in that tax year.

If you want to open a Lifetime ISA and are close to your 40th birthday, you must pay into the account before you turn 40. If you do not, we will not be able to open your account and it will be closed.

If you breach the ISA Regulations or become bankrupt, we may have to void your account. If this happens, we will let you know. You may have to pay tax on the interest you have earned if this happens.

You must not subscribe to more than one Lifetime ISA in any single tax year.

If HMRC reject your bonus, they will tell us why. We will let you know within 14 days of HMRC telling us. You can ask HMRC to change their decision within 90 days of the decision being made. If you are successful, HMRC will ask us to request the bonus.

HMRC can claim back money from you if there is an error with your Lifetime ISA. This might happen if a government bonus has been wrongly paid, or if the government withdrawal charge has not been paid when it should have been. If HMRC ask us to, we will send the amount outstanding from your account.

If you think the government withdrawal charge was wrongly made, you can challenge HMRC. You have 4 years from the date of the charge being made to ask HMRC for a refund.

Section N

Can I transfer my Lifetime ISA at Bath Building Society to another provider?

Yes, you can transfer your Lifetime ISA with us to another provider. You need to ask your new provider to set this up. They will contact us to start the transfer process.

If you want to transfer your Lifetime ISA into an ISA of another type, **the 25% government withdrawal charge will apply**. If you transfer the current year's Lifetime ISA **subscriptions** to a different type of ISA, you cannot pay into another Lifetime ISA in the same tax year.



Bath Building Society

We're different because you are

Version: November 2023

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