

Key features of our

smile **cash ISA**

The Financial Conduct Authority is the independent financial services regulator. It requires us, **smile**, to give you this important information to help you decide whether our **smile** cash 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.

Summary Box for smile Cash ISA – Please read this account’s key features before applying. For full details, you should also read its Terms and Conditions.

Account name	Smile Cash ISA			
What is the interest rate?			Tax free*	AER**
	If you are a smile current account customer		0.09%	0.09%
	If you are not a smile current account customer		0.03%	0.03%
	Interest is calculated daily and will be paid into your account annually on 5 April.			
Can smile change the interest rate?	<p>Yes, the interest rate is variable, which means it can go up or down.</p> <p>We may change your interest rate for various reasons, please see the 'Changing these terms and ending this agreement' section of our General Terms and Conditions for more details.</p> <p>When we increase our interest rates - we'll tell you about the change within 30 days after it's happened.</p> <p>When we decrease our interest rates - we'll inform you by personal notice at least two months before we make the change.</p>			
What would the estimated balance be after 12 months based on a £1,000 deposit?		Initial deposit at account opening	Balance after 12 months	Interest earned
	If you are a smile current account customer	£1,000.00	£1,000.90	£0.90
	If you are not a smile current account customer	£1,000.00	£1,000.30	£0.30
	<p>We have worked this out assuming:</p> <ul style="list-style-type: none"> • The 12 months starts on 5 April. • You haven't made any additional deposits or withdrawals. • We haven't changed the interest rate in the 12 month period. 			
How do I open and manage my account?	<p>Can I apply for this account? To apply, you must be a UK resident aged 18 or over. This account can only be opened as a sole account.</p> <p>How do I apply for this account? You can apply for this account:</p> <ul style="list-style-type: none"> • Online • Through Online Banking – Existing customers can easily apply through the 'Products' section within Online Banking. <p>Is there a minimum and a maximum balance? The minimum opening balance is £1. The maximum balance is £1,000,000. You've got 30 days from when we open your account, to pay in the minimum balance of £1. If after 30 days you haven't met the minimum balance, we may close the account immediately and return any funds to you.</p> <p>How do I make deposits into this account? If you're using your annual ISA allowance for the current tax year - you can pay money in by:</p> <ul style="list-style-type: none"> • electronic transfers from another account held with us or another provider (such as by using their app or setting up a standing order). • cash or cheques • visiting any Post Office® in the UK where you can pay in cheques. <p>The maximum you can pay into the Cash ISA in the 2021/2022 tax year is £20,000.</p> <p>If you're transferring your cash ISA to us – you can do this by providing us with a completed ISA transfer authority form. You'll receive the form in your welcome pack so just complete it, return it to us and we'll arrange the transfer on your behalf.</p> <p>How do I contact you to discuss this account? By sending us a secure message or visiting a branch.</p>			

<p>Can I withdraw money?</p>	<p>Yes – whenever you want as this account has no restrictions on the number of withdrawals. However, as this cash ISA is not a flexible cash ISA, any withdrawn money that you want to replace will count towards your ISA subscriptions for the current tax year, and you are only allowed to deposit up to the maximum ISA limit in a tax year. So, for example, if you have deposited £10,000 and then withdraw £1,000, you will only be able to deposit a further £10,000 in that tax year.</p> <p>You can make withdrawals through the following ways:</p> <p>Online and Mobile Banking – through electronic transfers to other accounts with us or another provider.</p> <p>Telephone Banking – through electronic transfers to other accounts with us.</p> <p>Branch – withdraw cash over the counter and/or make electronic transfers to other accounts with us or another provider.</p> <p>You can also request a Banker's cheque withdrawal, however there is a charge for this.</p>
<p>Additional information</p>	<p>If you are or have previously been made bankrupt, you are eligible to apply.</p> <p>Interest earned from this account will not count towards any of your available personal savings allowance.</p> <p>All interest earned from your ISA will be free of both income and capital gains tax. You cannot subscribe to a cash ISA with us if you have already contributed to another cash ISA using this tax year's ISA allowance, or if you have already invested the full ISA allowance in another type of ISA this tax year.</p> <p>If you do not place any money in your account during a tax year, you will need to contact us to make a new declaration should you wish to make a deposit in a subsequent tax year.</p> <p>Any reference to tax is based on our understanding of current tax regulations which may change in the future and depends on your individual financial circumstances.</p> <p>*Tax free – The contractual rate of interest payable where interest is exempt from income tax.</p> <p>**AER – Stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded once each year.</p> <p>-Tax year – A tax year runs from 6 April to 5 April the following year.</p>

What is a smile cash ISA?

- It's a deposit account, paying a variable rate of interest, which means it can go down as well as up.
- An ISA is not an investment in its own right, it's a tax-free* wrapper in which you can hold your money to protect it from income and capital gains tax.
- Because of the tax benefits of ISAs, the government has set limits on the amount you can invest in an ISA in each tax year – as described on the following pages.
- Anyone who is aged 18 or over can invest in a **smile** cash ISA. In addition, you must be resident in the UK. Accounts must be opened in a single name only and cannot be opened as a joint account.

How do I pay into the smile cash ISA?

You can use your account number and sortcode (contained on your welcome letter or available through Online and Mobile Banking) to pay in by:

- Standing order.
- Direct transfer from another **smile** account or another bank account.
- Depositing cash and cheques at a Co-operative Bank branch.
- By sending a cheque through the post.
- Depositing cheques at any Post Office® branch.

How do I take money out?

You can have access to your money at any time by the following methods:

- electronic transfer by Online or Mobile Banking
- over the counter at any Co-operative Bank branch

Please note: this is not a flexible ISA so any withdrawals of capital cannot be replaced.

How much can I pay in?

- The minimum amount needed to open a **smile** cash ISA is £1 and you can make further deposits at any time.
- You can pay in up to £20,000 into a Cash ISA in the 2021/2022 tax year¹ less any amount you have already contributed to a stocks and shares ISA, innovative finance ISA or lifetime ISA. You can withdraw as much of the balance of your ISA as you like without any interest charges. Please note, once you have paid in your full ISA allowance for the tax year, you can't make any further payments until the next tax year, regardless of any withdrawals.
- You cannot subscribe to a **smile** cash ISA with us if you have already contributed to another cash ISA using this tax year's ISA allowance, or if you have already invested the full ISA allowance in a stocks and shares ISA, innovative finance ISA or lifetime ISA this tax year.
- If you do not place any money in your account during a tax year, you'll need to contact us to make a new declaration, should you wish to make a deposit in the following tax year.

What interest will I earn on my money?

- Interest is calculated daily on your cleared balance and credited to your account annually on 5 April.
- Interest rates will change from time to time to reflect changes in short-term interest rates generally and, in particular, the Bank of England base rate. We'll always notify you of any changes. Please see the terms and conditions for notification timeframes.
- The **smile** website displays the latest interest rates, go to smile.co.uk or if it's more convenient call us – see 'How to contact us', page 7.

What else do I need to know?

The following sections contain important general information about ISAs that you should also read alongside the product information, before applying for a cash ISA with us.

What is an ISA?

Individual Savings Accounts (ISAs) were introduced by the government to encourage more people to save for the future. To help with this, ISAs are tax efficient, making them a very effective way to make your money grow. This favourable tax treatment depends on the individual's circumstances and may be subject to change in the future.

There are different types of ISA - cash ISAs, stocks and shares ISAs, innovative finance ISAs and Lifetime ISAs.

Cash ISA

This allows you to save money in a deposit-based savings account.

Stocks and shares ISA

This allows you to put money into a stock market-based investment, such as unit trusts, for the potential of greater returns. However, the value of investments in stocks and shares ISAs and the income from them may fall as well as rise and is not guaranteed; you may lose part or all of your investment.

Innovative Finance ISA

Lenders can benefit from tax-free* interest courtesy of the innovative finance ISA (IFISA), which will cover loans arranged through peer-to-peer (P2P) platforms.

Lifetime ISA

The lifetime ISA is available to people under the age of 40. Contributions of up to £4,000 can be made in each tax year and the government will then provide a 25% bonus on these contributions at the end of the tax year. The funds can be withdrawn from the age of 60, or before that for the purpose of purchasing a first home.

Please note, we do not offer stocks and shares ISAs, innovative finance ISAs or lifetime ISAs.

To save in a cash ISA you must be aged 16 or over (**smile** terms and conditions mean you have to be 18 to open a **smile** cash ISA). To save in a stocks and shares ISA, innovative finance ISA or a lifetime ISA you must be 18 or over.

How much can I save in an ISA?

The government limits the amount you can save and invest in ISAs each tax year (6 April to 5 April the following year).

The 2021/2022 annual ISA allowance is £20,000 and you can save any part of, or your whole ISA allowance in a cash ISA, a stocks and shares ISA, innovative finance ISA or a lifetime ISA, or any combination of the four. The following chart illustrates this:

In the 2021/2022 tax year	Cash ISA	Stocks and shares ISA	Innovative Finance ISA	Lifetime ISA	Maximum total allowance
6 April to 5 April each tax year	up to £20,000 less whatever you deposit in a stocks and shares ISA, an innovative finance ISA and a lifetime ISA	up to £20,000 less whatever you deposit in a cash ISA, an innovative finance ISA and a lifetime ISA	up to £20,000 less whatever you deposit in a cash ISA, stocks and shares ISA and a lifetime ISA	Up to £4,000. Contributions to a lifetime ISA count towards the overall £20,000 ISA contribution limit	up to £20,000

If you pay into a cash ISA, you will be subscribing to a cash ISA for the current tax year and you will be limiting the amount of tax efficient savings you can make in a stocks and shares ISA, innovative finance ISA and lifetime ISA. Where you do not use your full ISA allowance within a tax year, it cannot be carried forward into the next tax year.

What if my contributions exceed the ISA limits in any tax year?

If you put too much into your **smile** cash ISA we'll return the money to you. How we do that depends on how you put the money in:

- from another bank account, you'll have the full amount returned via electronic bank transfer
- by cheque or any other payment method, we will have to wait for the funds to clear.

Once they have, we will return the difference to you by crediting any other **smile** or Co-operative Bank account that you hold with us or if you don't, we'll send you the difference by cheque.

Can I transfer my ISA?

You may transfer a cash ISA into a stocks and shares ISA or innovative finance ISA.

Some ISA providers may also offer the facility to transfer in any money you have in a stocks and shares ISA or innovative finance ISA to a cash ISA; we do not currently offer these types of transfers.

Transferring in – you can transfer an existing cash ISA you have elsewhere into a **smile** cash ISA by calling us.

– Your cash ISA with your existing provider may have restrictions relating to ISA transfers out and you may wish to check this before requesting a transfer to us.

– You will not lose the tax benefits provided you first open a cash ISA with us. **You must not withdraw the funds yourself to transfer to us as they will lose their Tax-free* status.**

As you're only able to invest in one cash ISA in a tax year, if you wish to transfer the current tax year's subscriptions, you must transfer all of the subscription you have already made for the current tax year. You can, however, open a new cash ISA with us by transferring previous tax year's subscriptions of any amount so long as it doesn't contain the current tax year's subscription.

Transferring out – you can transfer part or all of your **smile** cash ISA to another ISA provider at any time.

– You will not lose the tax benefits provided you first open a cash ISA with another provider.

– Your new provider should then be asked to contact us to arrange the transfer.

– **You must not withdraw your funds yourself to transfer as your funds will lose their Tax-free* status.**

What about tax?

- Any interest on money saved in a **smile** Cash ISA is paid Tax-free*, which means completely free of UK income tax **provided you continue to meet HM Revenue & Customs regulations governing this product.**

What if I open a smile Cash ISA, then change my mind?

- You have a right to cancel your ISA, without giving any reason, for 14 calendar days from the date the account is opened or upon receipt of your welcome letter, whichever is later.
- It's important that you notify us if you change your mind, and don't simply close your ISA. If you close your account without notifying us that you have changed your mind, you will lose the

Tax-free* status of previous tax years™ subscriptions and if you have paid any of the current tax year's subscription into the ISA, you will be unable to open a cash ISA with us or any other provider in the same tax year.

- When you cancel your account we'll help you switch to another of our accounts, transfer your ISA to another provider or give you your money back, as you wish.
- You can cancel by phoning us on **03457 212 212**[#] or by sending us an encrypted (secure) message via your account on the **smile** website.

How will I know how my smile cash ISA is doing?

- We'll provide regular paperless statements (made available through Online Banking) and you can at any time view information we provide about each payment in or out of your account on Online Banking and ask us for it at any time through Online Banking. All statements remain available via your online account for 12 months.

How to contact us

Secure message

Login to your Online Banking to send us a secure message 24/7.

Or write to:

smile

The Co-operative Bank p.l.c.
P.O. Box 600
Delf House
Skelmersdale
WN8 6GF

If something goes wrong

We know that sometimes things go wrong and here at The Co-operative Bank we really value your feedback. Letting us know when you are dissatisfied with our products or service, provides us with the opportunity to put it right as quickly as possible and helps us to improve our service for all our customers.

Get in touch

Online

You can find more information by going to our website co-operativebank.co.uk/complaints or alternatively you can contact us via email at complaints@co-operativebank.co.uk

Telephone

Talk to our Customer Services team on 03457 212 212[#].

Secure Message

Getting in touch with us through secure messaging is quick and easy. All you need to do is log in to your Online Banking account and select Messages.

In Writing

smile

Customer Response
2nd floor
1 Balloon Street
Manchester
M60 4EP

If you are still unhappy with our response you may be entitled to refer your complaint to the Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London E14 9SR, telephone 0800 023 4567. For more information visit www.financial-ombudsman.org.uk. The Financial Ombudsman Service is a free service set up to help resolve individual disputes between customers and businesses providing financial services in the UK.

If you purchased your account online you may also have the option to refer your complaint to the Financial Ombudsman Service using the Online Dispute Resolution platform. The platform has been established by the European Commission to provide an online tool for consumers to resolve disputes about goods and services purchased online. The platform can be found at <http://ec.europa.eu/consumers/odr/>

Compensation

- The Co-operative Bank p.l.c. is covered by the Financial Services Compensation Scheme (FSCS), which would pay compensation of up to £85,000 to eligible depositors in the event of the Bank becoming insolvent. smile and Britannia are trading names of The Co-operative Bank and, as such, protection provided to depositors by the FSCS is limited to £85,000 for the total amount of combined deposits held with The Co-operative Bank, smile and Britannia. Certain customers are not covered by the FSCS. For further information please visit www.FSCS.org.uk

Product Specific Terms and Conditions

These terms apply to the smile Cash ISA. They add to our smile General Terms and Conditions and will apply instead of any term in the General Terms and Conditions if there is a difference. Please read them and keep them safe.

Variable interest rates can go up and down. To find out the current interest rates on our variable rate savings accounts, please visit our website at smile.co.uk/savings or contact us.

Interest earned **will not** count towards your available personal savings allowance, providing these Product Specific Terms and Conditions have been fully met.

It is not possible to hold any of our ISAs as a joint account.

To find out our daily maximum withdrawal limits, please visit our website at smile.co.uk or contact us.

Terms we've used

Annual ISA allowance

This is the maximum you can pay into an ISA in any tax year. HM Revenue & Customs (HMRC) sets the annual ISA allowance. To find out what it is, please contact us or check either our or HMRC's website.

Interest

Interest rate

The interest rate is variable.

If you hold a smile current account, we will pay you a higher interest rate.

When is it paid?

Annually on 5 April.

How is it paid?

Into this account.

Accounts limits

Minimum balance

£1

You will have 30 days from the date when we open the account to fund the account to the minimum balance of £1.

If after 30 days you have not met the minimum balance we can close the account immediately and return any funds to you as advised to you at account opening.

Maximum balance

£1,000,000

Payments in and out

Paying in

You can pay in cash or cheques or by transfer from another account held with us or another provider (including standing orders).

You can also pay in cheques at a Post Office®.

Withdrawals

You can withdraw your money whenever you want.

Online Banking – internal transfers and transfers to another provider.

Mobile Banking app – internal transfers and transfers to another provider.

Telephone Banking (automated service)

– internal transfers between Co-operative Bank and smile accounts.

In branch – cash (up to a daily maximum)/ internal transfers/transfers to another provider/by requesting a Banker's cheque.

By post – internal transfers/transfers to another provider/by requesting a Banker's cheque.

You cannot make international payments.

ISA Transfers in

You can transfer in cash ISAs you hold with us or another provider.

ISA Transfers out

You can transfer any amount to a cash ISA you hold with us or another provider.

Statements

We'll provide regular statements and you can at any time view information we provide about each payment in or out of your account on Online Banking and ask us for it at any time through Online Banking, branches and ATMs.

Please call 03457 212 212# if you would like to receive this information in an alternative format such as large print, audio or Braille.

The tax information provided is based on our current understanding of current law and HM Revenue & Customs practice which can change. Tax treatment depends on an individual's personal circumstances.

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (No. 121885). The Co-operative Bank, Platform, smile and Britannia are trading names of The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. Registered in England and Wales No.990937. Credit facilities are provided by The Co-operative Bank p.l.c. and are subject to status and our lending policy. The Bank reserves the right to decline any application for an account or credit facility. The Co-operative Bank p.l.c. subscribes to the Standards of Lending Practice which are monitored by the Lending Standards Board.

*Tax-free is the contractual rate of interest payable where interest is exempt from income tax.

^A tax year runs from 6 April to 5 April the following year.

^Lines open 8am to 8pm, 7 days a week. Calls to 03 numbers cost the same as calls to numbers starting with 01 and 02. Calls to 0800 and 0808 numbers are free from land lines and mobiles. Calls may be monitored or recorded for security and training purposes.

Information correct as at 05/2021.

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