Fundment
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Key Features of the Fundment Cash Lifetime ISA

Contents

This is an important document.

The Financial Conduct Authority is the independent financial services regulator. It requires us, Fundment Limited, to give you this important information to help you decide whether the Fundment Cash Lifetime ISA is right for you.

You should read this document carefully to understand what you are buying and then keep it safe for future reference.

We do not provide or offer financial, legal or tax advice. You should seek your own financial, legal or tax advice from a Financial Adviser or another suitably qualified professional.

The Fundment Cash Lifetime ISA is provided by Fundment Limited.

Aims

The purpose of this Key Features document is to provide you with a clear summary of information about the Fundment Cash Lifetime ISA (LISA), so it is important that you also read this document along with the Platform Terms and Conditions, Fee Schedule, Product Illustrations, and other documentations provided to you.

The Fundment Cash Lifetime ISA provides your savings the potential for tax-efficient capital growth, income, or a combination of both, through investing in cash and certain cash-like investments. Your contributions to your Lifetime ISA will earn a government bonus.

Your commitment

Please take time to read this document and ensure you understand the key features and risks.

To enable us to provide you with up-to-date information, please ensure you notify us of any change in your personal circumstances and you keep a close working relationship with your financial adviser.

You must ensure that any lump sum or regular contributions you paid in do not exceed the ISA subscription limits.

There is no minimum period for holding a Cash Lifetime ISA with us, however you should consider it to be a medium to long term investment.

Generally, you will need an email address in order to access your account.

Please ensure you maintain sufficient cash balance in your account to pay relevant platform fees and agree with your financial adviser how you wish they are paid.

You should review the investments in your account and speak to your financial adviser regularly to ensure they remain suitable for your investment objectives.

You must agree to be bound by our terms and conditions and to pay the charges set out in our fee schedule.

Risks

We cannot guarantee the amount you will get back when you cash in your LISA as the value of your investments may rise and fall.

The amount you get back depends on a number of factors including:

1. Investment performance which may be different to those outlined in the illustration document.
2. Taxes may change.
3. Inflation may erode the purchasing power of the money you have saved.
4. You can cancel the product within 14 days of opening the account, however you may get back less than you invested.
5. Our charges on your account will also affect the overall value of your account. The charges may change from time to time.
6. Your withdrawals may incur the HMRC early withdrawal charge, meaning that you could receive less back than you paid in.

Questions and answers

Q. What is a Lifetime ISA?

The Lifetime ISA was introduced in 2017 by the Government as a tax efficient way to save for a first house purchase or retirement. A Lifetime ISA is a type of ISA. Gains and income in an ISA are not liable to taxes.

Q. Who can open an account?

To open an account, whether you want to open a new Cash Lifetime ISA or transfer in an existing Lifetime ISA, you must:

1. Be at least 18 years of age.
2. Resident in the United Kingdom.
3. Not contribute to another Lifetime ISA during the tax year.
4. Not exceed the annual ISA subscription limit during tax year.
5. Not exceed the annual Lifetime ISA contribution limit during tax year.

Q. Who can open a new account?

To open a new Lifetime ISA, you must satisfy the other conditions for opening an account and:

1. Be under 40 years of age
2. Not have opened another Lifetime ISA during the tax year.

Q. How can I tell this is the correct account for me?

You should discuss this with your financial adviser before opening a Fundment Cash LISA. This account may be right for you if you:

1. Seek a relatively low amount of investment risk, in exchange for sacrificing potentially higher returns with a Stocks & Shares ISA.
2. Are looking for a tax efficient saving plan.
3. Aim to save for a first house purchase or retirement.
4. Wish to benefit from the HMRC bonus provided on any contributions you make to a LISA.

Q. How do I invest?

Once you are enabled by your financial adviser, you can add funds by making a lump sum investment, transferring an existing ISA or LISA from another provider, or setting up a direct debit for recurring contributions.

Q. How much can I contribute to my Lifetime ISA?

The amount you can contribute to your Lifetime ISA is determined by two allowances: the Lifetime ISA contribution limit and the ISA subscription limit.

The Lifetime ISA contribution limit is set by the government and determines the maximum you can contribute to a Lifetime ISA in a tax year. It is currently set at £4,000.

The overall ISA subscription limit is also set by the government and determines the maximum you can contribute to all ISAs held in your name in a tax year. It is currently set at £20,000.

The ISA subscription limit (but not the Lifetime ISA contribution limit) may be extended by the Additional Permitted Subscription (APS) Allowance.

See below for details.

Q. How long can I contribute to my Lifetime ISA?

You may contribute to your Lifetime ISA until you are aged 50, subject to the overall ISA subscription limit and the Lifetime ISA contribution limit.

If you are aged 50 or over, you may no longer contribute to your Lifetime ISA. However, investments held within your Lifetime ISA will continue to be exempt from income and capital gains taxes.

Q. How much is the HMRC bonus?

Every contribution you make to your Lifetime ISA is eligible for a bonus from HMRC. The amount of this bonus is set by the government and is currently 25%. For example, if you contribute £4,000, you will be eligible for a £1,000 bonus.

Q. How do I receive the HMRC bonus?

Fundment will automatically claim the HMRC bonus on your behalf whenever you make a contribution to your Lifetime ISA. We will pay this bonus into your Lifetime ISA account upon receipt from HMRC.

Q. Is my investment guaranteed?

No, the value of your Lifetime ISA may go down as well as up.

Q. Can I transfer my other ISAs?

Yes, you can transfer an existing Lifetime ISA, or any other type of ISA to Fundment. We recommend you discuss this with your financial adviser to ensure our Lifetime ISA is right for you. Transfers must be conducted in cash.

Q. Do transfers from previous years count as part of my current year limit?

Transfers from previous years do not count towards your annual ISA subscription limit. This is true of transfers from existing Lifetime ISAs and existing non-Lifetime ISAs.

However, transfers from all non-Lifetime ISAs will count towards your annual Lifetime ISA contribution limit. Transfers from existing Lifetime ISAs do not count towards your Lifetime ISA contribution limit.

Your current provider will provide us with information on ISA subscriptions.

Q. Are transfers from previous years eligible for the HMRC bonus?

Transfers from all non-Lifetime ISAs into a Lifetime ISA are eligible for the HMRC bonus.

Transfers from one Lifetime ISA to another are not eligible for the HMRC bonus.

Q. Is online valuation available?

Yes, you can keep updated on your account holdings, valuations, transactions, and charges by logging into your Fundment account online.

You will also receive a quarterly account statement from us which we will upload to your documents folder online.

Q. What are the charges?

Fundment charges an ongoing platform fee. This is deducted from your account monthly.

We also facilitate charges by your financial advisers and discretionary investment managers.

Details on charges are provided in your Key Features Illustration and Fee Instruction.

Q. What about taxes?

Capital gains tax:

There is currently no capital gains tax from gains on investments you hold within a Lifetime ISA.

Income tax:

There is no income tax payable from income generated by your LISA investments and you do not have to include LISA income in your tax return.

Q. Do you have a Bed and ISA function?

Yes, your adviser can submit a Bed and ISA to transfer money from a Fundment General Investment Account (GIA) into your LISA at any time by submitting this online.

We recommend you discuss this with your financial adviser as there may be tax implications of this trade.

Q. Where can I view the charges on my account?

We will issue you a personalised illustration which outlines the charges and the effect they may have on the growth of your investment.

Q. Can I change my mind?

You can change your mind within 14 days of opening your account and receiving your illustration document.

Q. Can I update my investment?

Yes, the Fundment platform is designed for advisers and investment managers to operate your account and the investments held on your behalf.

Unless you are enabled for our execution-only offering, only your financial adviser can instruct changes to be made in your account.

Q. Can I request a withdrawal?

Yes, you or your financial adviser can set up a one-off or regular withdrawal from your Lifetime ISA account online at any time.

Please be aware that withdrawals may incur the HMRC early withdrawal charge. See below for details.

Q. How much is the HMRC early withdrawal charge?

The level of the HMRC early withdrawal charge is set by the government and is currently 25%.

Q. What withdrawals from my Lifetime ISA incur the HMRC early withdrawal charge?

Any withdrawal will be subject to an HMRC early withdrawal charge unless at least one of the following conditions is satisfied:

1. You are aged 60 or over.
2. You are terminally ill.
3. The withdrawal is to purchase a first home, subject to eligibility requirements.
4. The withdrawal takes place after you are dead.

Q. What conditions must my first house purchase fulfil for the accompanying withdrawal to not incur the HMRC early withdrawal charge?

For a withdrawal to purchase a first home to not incur an HMRC early withdrawal charge, it must meet the following conditions:

1. The withdrawal amount is put towards the purchase price of a first-time residential purchase.
2. The purchase price of the property does not exceed £450,000.
3. The property is situated in the UK.
4. You have held the Lifetime ISA for more than 12 months after the date of your first contribution.
5. The property is funded by a mortgage or equivalent (e.g. a Home Purchase Plan).
6. You intend to occupy the property as your main residence immediately on completion.

Q. Can I transfer out?

Yes, you can transfer your Fundment Lifetime ISA to another provider at any time.

Q. Do transfers out incur the HMRC early withdrawal charge?

If you are aged under 60, any transfer out to a non-Lifetime ISA will incur the HMRC early withdrawal charge. Transfers out to Lifetime ISAs do not incur the HMRC early withdrawal charge.

If you are aged 60 or over, transfers out will not incur the HMRC early withdrawal charge.

Q. Can I benefit from the flexible ISA rules?

No, Lifetime ISAs are not flexible ISAs. This means that any payment withdrawn during the tax year that is paid back in during the same tax year will count towards both your annual ISA subscription allowance and your annual Lifetime ISA contribution allowance for that tax year.

Q. What is my client categorisation?

All our clients are classified as retail clients under the Financial Conduct Authority rules. This classification ensures that you benefit from the highest level of protection under the FCA rules.

Q. What happens if I move overseas?

Please ensure you have notified your financial adviser and us if you are moving overseas.

Q. What happens if I die?

Where the holder of a Fundment Lifetime ISA dies, their LISA will retain its tax benefits until the earlier of the completion of the administration of the estate, the third anniversary of the death, or closure of the account.

A spouse will be entitled to pay the additional permitted subscription (APS) equal to the higher of: the value of the deceased's ISA at the death, or the value at the point the account is closed. Any interest, dividends, or gains arising on investments after death will continue to be tax-free.

The additional permitted subscription will only create an additional allowance to the annual ISA subscription limit; it does not create an additional allowance to the annual Lifetime ISA contribution limit.

If you have any questions about this process, please speak to your Financial Adviser.

Q. What is the complaints process?

We aim to ensure you are happy with our service. If you wish to complain, you can write to us or call us at the address below:

Fundment Limited
58-60 Berners Street
London W1T 3NQ

+44 (0)203 637 9210

support@fundment.com

If you are not satisfied with our response to your complaint, you can raise your complaint with the Ombudsman at:

Financial Ombudsman
Service Exchange Tower

London E14 9SR

+44 (0)800 023 4567

complaint.info@financial-ombudsman.org.uk

Complaints to the ombudsman will not affect your legal rights.

Q. Does Fundment participate in the Financial Services Compensation Scheme?

Fundment Limited is authorised by the Financial Conduct Authority.

In the unlikely event of us not meeting our liabilities under your plan, or you have suffered financial loss because of our failure or investment failure, you may be entitled to compensation through the Financial Services Compensation Scheme.

The FSCS may pay compensation up to £85,000 per investment account.

Contact us

Address
Fundment
58-60 Berners Street
London W1T 3NQ

Email
support@fundment.com

Phone
+44 (0)203 637 9210

Hours
Monday to Friday, 9:00am - 5.30pm