

Junior ISA

Key features.

Contents

Its aims

What is the ii Junior ISA?

Your commitment

Risks

Questions and answers

Could an ii Junior ISA be right for me?

Are there any minimum subscription levels?

Can I open an ii Junior ISA?

What are the ii Junior ISA charges?

Subscriptions

Who can pay subscriptions into the ii Junior ISA?

How can subscriptions be paid?

What is the annual limit for ii Junior ISA subscriptions?

Can subscriptions continue if the child becomes a non UK resident?

Transfers

Can I transfer an existing Junior ISA to you?

Can I transfer my child's ii Junior ISA to another Junior ISA provider?

Can I transfer a Child Trust Fund (CTF) into an ii Junior ISA?

Investments

What can I invest in?

Do you offer a regular investment option?

Are there any restrictions on the investments I can make in the ii Junior ISA?

What happens to the child's investments at age 18?

What rate of interest will I receive on cash in my ii Junior ISA?

How do I obtain a valuation of the ii Junior ISA?

Withdrawals

Can I take money out of an ii Junior ISA?

What happens in the event a child holding an ii Junior ISA dies?

What happens in the event a child holding an ii Junior ISA becomes terminally ill?

What happens in the event the Registered Contact for the ii Junior ISA dies?

Miscellaneous

How secure is my money?

Your right to change your mind

Are there any compensation arrangements covering my ii Junior ISA?

Can you provide me with advice?

What if I have any further questions?

What if I have a complaint?

Important

3

3

3

3

4

4

4

4

4

4

4

5

5

5

5

5

5

5

5

5

6

6

6

6

6

6

6

6

7

7

7

7

7

8

8

8

8

9

Its aims

What is the ii Junior ISA?

The ii Junior ISA is a children's savings account designed to help you accumulate a sum of money through tax efficient investment on behalf of a child. It gives you the opportunity to select and manage an investment portfolio from a wide range of choices.

You can pay one-off or regular subscriptions into the ii Junior ISA to take advantage of the tax privileges available. You can also transfer an existing Junior ISA or Child Trust Fund into the ii Junior ISA.

Interactive Investor Services Limited (IISL) does not offer a Cash ISA.

Your commitment

What you have to do as a Registered Contact for an ii Junior ISA

You must ensure that you understand the features and risks of the ii Junior ISA, so that you can be sure the product meets your needs and requirements.

You must ensure that any regular or single subscriptions made do not exceed Junior ISA subscription limits.

You must agree to be bound by the ii Junior ISA Terms of Service and pay the ii Junior ISA charges set out in the Rates and Charges, which you can view at www.ii.co.uk.

You must review regularly whether the ii Junior ISA and the subscription level remain appropriate. You should take independent advice if you are unsure about this product.

Risks

Factors that could affect the investment return on the ii Junior ISA

The value of investments held in the Junior ISA can fall as well as rise. You may get back less than the amount invested.

Past performance is not an indication of future performance and some investments may need to be held for the long term to achieve a return.

You will be able to deal in a range of investments. Some investments carry a higher degree of risk than others.

The following are some specific examples of this:

- smaller companies, the price of which can be more volatile and there may be a large difference between the buying and selling prices
- overseas investments, which may carry an exchange rate risk, and may be based in less well-regulated jurisdictions and
- highly geared investments, the prices of which can be extremely volatile.
- further details can be found in the Investment and Risk Warnings Summary available on our website.

Some investments are described as complex financial instruments. If you invest in these you should be aware that you may lose all your money. Before investing in one of these investments you will have to complete an appropriateness test, as required by the rules of the Financial Conduct Authority.

We offer our services on an execution-only basis with opinions provided by IISL or one of our partners in some circumstances on whether to make a specific investment. Please note that none of the opinions we provide are a personal recommendation, which means we have not assessed your investing knowledge and experience, your financial situation or your investment objectives. If you need advice to determine if an investment is suitable for you, you must consult a suitably qualified financial adviser.

If the value of the ii Junior ISA is small and/or you deal frequently in small amounts, dealing costs may be disproportionately high and the value of the ii Junior ISA may be eroded.

You should note that the rules relating to the taxation of capital gains and income from investments held within the ii Junior ISA may change in the future.

Questions and answers

Could an ii Junior ISA be right for me?

The ii Junior ISA could be right for you if you:

- are looking to build up a sum of money for your child by investing in a tax-efficient way
- understand that growth is not guaranteed
- understand that money held in the ii Junior ISA cannot normally be taken out until the child reaches 18
- require access to wider investment opportunities, such as investment in a portfolio of listed shares or Funds

It may not be suitable if you:

- want unrestricted access to your child's money
- you do not want your child to have unrestricted access to the money at age 18
- are only likely to require access to a more limited range of investments or to hold your money in cash
- want advice from your provider based on your personal circumstances

If you have any doubts about the suitability of the ii Junior ISA you should contact a suitably qualified financial adviser.

Are there any minimum subscription levels?

The minimum subscription into the ii Junior ISA is £100 or £25 monthly.

Can I open an ii Junior ISA?

Only someone with parental responsibility for the child, known as the Registered Contact, can open an ii Junior ISA. The Registered Contact must be aged 18 or over and be resident in the UK or a Crown employee serving overseas or married to/in a civil partnership with a Crown employee. The Child must be under the age of 18 and also resident in the UK or a child of a Crown employee. If the Child has a Child Trust Fund (CTF) the Junior ISA can only be opened if you transfer in the CTF.

What are the ii Junior ISA charges?

Full details of the charges are set out in the interactive investor Rates and Charges, which you can view at www.ii.co.uk.

What other terms and conditions apply?

The Terms of Service and the ii Junior ISA Terms of Service set out the full terms and conditions. Please make sure you read the Terms of Service and the ii Junior ISA Terms of Service which you can download at www.ii.co.uk.

Subscriptions

Who can pay subscriptions into the ii Junior ISA?

Subscriptions to the ii Junior ISA can be made by the Registered Contact. Subscriptions can also be paid by another person on the child's behalf (e.g. by their grandparent or other family member).

Any subscriptions paid to the ii Junior ISA are considered a gift to the child and cannot be returned once gifted. Only the Registered Contact is allowed to make investment decisions.

Once your Junior ISA is set up you can pay one-off amounts and/ or increase/decrease your regular subscriptions at any time, subject to the minimum and maximum subscription levels described below.

If you want to make a subscription, the minimum one-off subscription is £100. The minimum level for your regular monthly subscriptions is £25.

How can subscriptions be paid?

The easiest way to pay a one-off subscription is by debit card. Cheques and bank transfers can also be accepted. Regular subscriptions paid by Direct Debit will be collected on the 12th of each month.

Subscriptions cannot be paid in the form of shares or other investments.

What is the annual limit for ii Junior ISA subscriptions?

The annual subscription limit for the 2023/24 tax year is £9,000.

The subscriptions can be made either to a Stocks and Shares Junior ISA or a Cash Junior ISA, or can be split between the two. A child may hold both a Stocks and Shares Junior ISA and a Cash Junior ISA, but cannot hold more than one of either type at any point in time. IISL does not offer a Cash Junior ISA.

Can subscriptions continue if the child becomes a non UK resident?

Yes, whilst a child must be a UK resident to open an ii Junior ISA, if the child moves abroad subscriptions can continue to be paid to the ii Junior ISA.

Transfers

Can I transfer an existing Junior ISA to you?

Yes. You can transfer an existing Junior ISA whether Stocks and Shares or Cash into a Junior ISA with IISL.

However, please note we will not accept partial transfers from an existing Junior ISA.

Please note that you will be responsible for arranging the transfer from the existing Junior ISA provider. It may take up to 30 days for us to receive the transfer payment from your existing provider.

The transfer can be in the form of a cash payment, in which case you will have to sell all of the investments held in the existing Stocks and Shares Junior ISA before the transfer is completed, or you may be able to transfer some investments in their existing form (known as an "in specie transfer"). Any investments transferred 'in specie' must be an acceptable investment for the ii Junior ISA.

Can I transfer my child's ii Junior ISA to another Junior ISA provider?

An ii Junior ISA can be transferred to another Junior ISA regardless of whether the new Junior ISA is a Stocks and Shares Junior ISA or a Cash ISA, at any time.

Can I transfer a Child Trust Fund (CTF) into an ii Junior ISA?

Most children born between 1 September 2002 and 2 January 2011 were eligible for a Child Trust Fund. If you hold a CTF for your child you can transfer this into a new Junior ISA. The entire amount of the CTF must be transferred to the Junior ISA. You will not be able to subscribe to the Junior ISA until the transfer is complete. Once the transfer has been made it cannot be transferred back to a CTF.

Investments

What can I invest in?

You can trade in securities listed on the London Stock Exchange Main Market or AIM including: equities, investment trusts and exchange traded products. Please note that you will need to complete an Appropriateness Assessment in order to trade complex investments.

You can also invest in Unit Trusts, Open Ended Investment Companies (OEICS), Real Estate Investment Trusts (REITS), Permanent Interest Bearing Shares (PIBS), Gilts, Fixed Interest Stock, Corporate Bonds and Debentures.

Our international trading service lets you trade directly on 17 international exchanges (15 online and by

telephone, with an additional two by telephone only). We also offer real time foreign currency exchange facilities. The value of international investments may be affected by currency fluctuations which might reduce their value in sterling. We may receive two elements of commission in relation to international dealing - Trading Commission and our FX Charge. Please see our Rate & Charges for full details of the relevant costs.

Do you offer a regular investment option?

Yes. You can choose to invest in up to 25 pre-selected Funds, Stocks or ETFs every month. These investments are then automatically purchased on the third Wednesday each month.

Are there any restrictions on the investments I can make in the ii Junior ISA?

Yes. As an example, you are unable to invest in US Pink Sheets, futures and options, warrants, unquoted company shares, stapled securities, and master limited partnerships. This list is not definitive and if you are unsure whether you are unable to invest in a certain security or investment you should contact our customer services team for more information.

What happens to the child's investments at age 18?

At age 18 the child's ii Junior ISA will automatically convert to an Adult ISA in the name of and for the benefit of the child. There will be no change to the investments held in the ISA unless the child who has become the beneficial owner of the investments gives instructions to sell the investments.

Please note that if the Registered Contact has purchased complex investments then the child as the new beneficial owner will need to complete an appropriateness test (testing their knowledge and experience) in order to trade the complex investments.

It is likely that the child as the new beneficial owner will have insufficient experience and may not pass the test. You could consider the following options in these circumstances:

- the sale of the complex investments by the Registered Contact before the Junior ISA becomes an Adult ISA; or
- arrange for the child to provide third party authority to the Registered Contact to manage the investments on their behalf once the Junior ISA converts to an Adult ISA.

What rate of interest will I receive on cash in my ii Junior ISA?

For the latest gross interest rate on cash please refer to our charges at www.ii.co.uk/our-charges.

How do I obtain a valuation of the ii Junior ISA?

You can view your ii Junior ISA investments online by logging in to your account at www.ii.co.uk.

Withdrawals

Can I take money out of an ii Junior ISA?

Cash cannot be withdrawn from the ii Junior ISA until the child's 18th birthday. Once the child reaches 18, they will need to confirm their identity to our satisfaction and to the satisfaction of all applicable laws and regulations, before they are able to access the funds. Details of how to confirm their identity will be included in instructions sent out before their 18th birthday. This will include supplying details of their National Insurance Number. When the child reaches 18 the Junior ISA will automatically be converted to an Adult ISA in their name and the child will have full control of the account.

What happens in the event a child holding an ii Junior ISA dies?

The ii Junior ISA ceases to be tax-exempt from the date of death and must be closed. We will arrange with their personal representative for the sale of the investments. Basic rate tax must be paid on any growth or income from the ii Junior ISA after the date of death. We will arrange for this to be paid to HMRC.

The proceeds of the ii Junior ISA will form part of the child's estate for inheritance tax purposes.

What happens in the event a child holding an ii Junior ISA becomes terminally ill?

The Registered Contact may be able to take money out of an ii Junior ISA if a child becomes terminally ill depending on HMRC's agreement. To do so the Registered Contact needs to complete and submit an early access request to HMRC who will then confirm if they can take money out of the child's ii Junior ISA or not.

What happens in the event the Registered Contact for the ii Junior ISA dies?

If the Registered Contact for the ii Junior ISA dies we'll need to receive a written request from the new Registered Contact to be able to make any changes. We'll need to see the original death certificate and the new Registered Contact will need to confirm their relationship to the child before we can process the request, e.g. parent or guardian.

Miscellaneous

How secure is my money?

IISL is the ISA Manager and is responsible for the administration and management of the ii Junior ISA. The ii Junior ISA investments will be held in the interactive investor nominee account. The nominee account is managed in accordance with the regulations of the Financial Conduct Authority. Any cash in the ii Junior ISA is held in accordance with the client money rules of the Financial Conduct Authority.

IISL is a member of the London Stock Exchange and NEX Exchange, is authorised by HMRC to act as an ISA manager and is authorised and regulated by the Financial Conduct Authority.

Your right to change your mind

You have a legal right to cancel your ii Junior ISA if you change your mind. If you wish to cancel you must do so within 14 days of the date you receive our letter confirming the establishment of your ii Junior ISA.

Any refund of subscriptions paid in will be returned to the registered contact.

Cancellation rights will also apply to the receipt of transfer payments. You will have 14 days from the date that you receive our letter acknowledging the transfer to exercise your right to cancel.

If you wish to make an investment during the 14 day cancellation period you can do so, however if the investments fall in value you may get back less than the original value of the subscription or transfer.

You may exercise your right to cancel by writing to us at:

interactive investor

One Embankment

Neville Street

Leeds

LS1 4DW

Quoting your name, the child's name and the ii Junior ISA account number.

You must tell us whether you wish to cancel your ii Junior ISA or a specific transfer.

Further information about your cancellation rights is included in the ii Junior ISA Terms of Service.

Are there any compensation arrangements covering my ii Junior ISA?

Yes. The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation, if firms are unable to meet claims made against them.

Compensation in the event of default by IISL

Cash and assets held by us are covered by the FSCS. This means that if we are unable, or likely to be unable,

to pay claims against us, customers can apply to the FSCS for compensation. Any claim will be limited to £50,000 per individual. Further information is available on the FSCS website at www.fscs.org.uk or by contacting them at: Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

Compensation in the event of default by a third-party financial institution

The cash you hold with us is pooled with that of other customers and deposited with a number of financial institutions. In the event of the failure of one of these institutions, you may be able to make a compensation claim through the relevant deposit guarantee scheme.

In the UK, the relevant deposit guarantee scheme is the FSCS and deposits are protected up to a value of £85,000 per person, per institution. In the interests of diversifying risk, we may deposit a proportion of the pooled money in a country outside the UK, where we cannot guarantee that it will be protected by a similar deposit guarantee scheme to the FSCS

There is also protection of up to £1 million for six months for investors who have a temporary high balance. This is unlikely to apply to a Junior ISA.

Further information about the compensation arrangements is available from the Financial Services Compensation Scheme (www.fscs.org.uk).

Can you provide me with advice?

If you have any doubts about the suitability of an ii Junior ISA or you need further advice you should seek advice from a suitably qualified financial adviser. Please note that IISL is not able to offer advice on your ii Junior ISA.

What if I have any further questions?

You should refer to the Frequently Asked Questions on our website www.ii.co.uk or contact us on 0345 607 6001.

What if I have a complaint?

We pride ourselves on our service but recognise that sometimes things can go wrong. If we fall short of your expectations please tell us so that we can try and resolve the situation, and we can learn from any mistakes we have made.

You can contact us to raise any concerns:

- By logging in to your account and sending us a secure message
- By calling us on 0345 607 6001
- By writing to Customer Services, Interactive Investor, One Embankment, 2 Neville Street, Leeds, LS1 4DW.

IISL will acknowledge your complaint as soon as we receive it. IISL will then investigate the circumstances giving rise to your complaint and may contact you for further information before providing its response.

If you are not satisfied with our response, you may refer your complaint to the Financial Ombudsman Service, free of charge at:

Financial Ombudsman Service

Exchange Tower

London E14 9SR

Tel: 0300 123 9123

Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal proceedings.

Important

The information provided in this key features document is provided based on our understanding of current law, practice and taxation which may be subject to change.

Full details of the legally binding contract between you and IISL are included in the Terms of Service and the ii Junior ISA Terms of Service.

The laws of England and Wales will apply in all legal disputes.

If you would like a copy of this or any other item of our literature in large print, Braille or in audio format, please contact us on

0345 607 6001 or by logging in to your account and sending us a secure message.

All of our literature and future communication to you will be in English.

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