

Key Features of the Tembo Stocks & Shares Lifetime ISA

The Financial Conduct Authority is a financial services regulator. It requires us, Tembo Savings, to give you this important information to help you to decide whether our Stocks & Shares Lifetime 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.

This Key Features Document sets out the main points about the Tembo Stocks & Shares Lifetime ISA. Please read it carefully alongside the Customer Agreement, which sets out the terms of our agreement with you.

Its aims:

- A Lifetime ISA is intended to help individuals save to purchase their first home (up to £450,000) and/or save for later life (60+). It provides a way for UK residents to save up to £4,000 each year and earn investment growth without incurring income or capital gains tax on that growth.
- You will access the Tembo Stocks & Shares Lifetime ISA through the Tembo app, where you'll be able to make one-off or regular contributions and manage your account.

Your Commitment:

- Before opening a Lifetime ISA, you should consider your Lifetime ISA subscription level and choice of investments against your savings objectives, expected investment horizon and your financial circumstances as a whole, including any other arrangements you have for retirement. These factors can change, so you should regularly review your Lifetime ISA subscriptions.
- Tembo does not provide any advice on whether a Stocks & Shares Lifetime ISA or any investments within it are suitable for you. Therefore, you must understand the features, benefits, and risks of the product to be sure it will meet your needs, financial circumstances and expectations.
- You must ensure that any regular or single subscriptions paid do not exceed the Lifetime ISA annual subscription limit or the overall ISA annual subscription limit.
- You must provide us with any information we require when setting up your Stocks & Shares Lifetime ISA. By setting up a Stocks & Shares Lifetime ISA account, you agree to be bound by our Terms and Conditions as set out in the Customer Agreement and the Lifetime ISA rules set out by HMRC and updated from time to time.
- We will take all instructions placed via the Tembo mobile app in good faith that you placed them.

Risks:

- By investing in a Stocks and Shares Lifetime ISA, your capital is at risk: The value of your investment could go down as well as up, causing you to lose some or all of the money in your account. Please remember that past performance is not a reliable indicator of future results.
- We do not provide investment advice. We do provide information about the investment(s) available within our Stocks and Shares Lifetime ISA, but this is solely to enable you to make your own investment decisions and must not be treated as a recommendation. If you need advice to determine whether an investment is suitable, you must seek financial advice.
- Please note that the rules relating to the taxation of Lifetime ISAs and capital gains and income from investments held within them are subject to change. Likewise, the value of any benefits or bonuses is subject to government policy and could change in the future.
- If you need to withdraw your money before you're 60, and it's not for the purchase of your first home ([more information below](#)) or due to terminal illness, you will pay a 25% government withdrawal penalty. This recovers the government bonus plus some of your own money, meaning you could receive less than you paid in.
- A Lifetime ISA is treated differently from a pension for tax purposes. If you save into a Lifetime ISA instead of a qualifying pension scheme, occupational pension scheme or personal pension scheme for which you are eligible, you may lose the benefit of employer contributions. Your future entitlement to means-tested state benefits (if any) may also be affected. If you're considering a Lifetime ISA for this purpose, we recommend you speak to an independent financial advisor first.
- The government can change the way that Stocks & Shares Lifetime ISAs are taxed, which you should bear in mind while you hold your Stocks & Shares Lifetime ISA. Likewise, the value of any benefits or bonuses is subject to government policy and could change in the future.
- Having considered these risks, if you have any doubts about the suitability of the Tembo Stocks and Shares Lifetime ISA, you must seek advice from your adviser.

Questions and Answers:

Below, we've included answers to some of the key questions you might have about this product; you can click on each of the questions in the list below to be taken straight to the answer:

- What is a Lifetime ISA?
- What is a Stocks & Shares Lifetime ISA?
- Who can open a Tembo Stocks & Shares Lifetime ISA?
- How do I open a Stocks & Shares Lifetime ISA with Tembo?
- How much can I save into my Lifetime ISA each year?
- How can I contribute to my Stocks & Shares Lifetime ISA?
- Which investments can I invest in?

- What are the charges for this account?
- When can I withdraw funds from my Stocks & Shares Lifetime ISA?
- How do I use my Lifetime ISA to purchase my first home?
- Can I open a Lifetime ISA if I have a Help to Buy ISA?
- I'm looking to buy a home with my partner; can we both use a Lifetime ISA?
- Can I transfer an existing ISA or Lifetime ISA to a Tembo Lifetime ISA?
- Can I transfer my Tembo Stocks & Shares Lifetime ISA to another provider?
- Can I open a Tembo Lifetime ISA if I already have a Lifetime ISA with another provider?
- If I use a Lifetime ISA to buy my first home, can I use it to save for retirement afterwards?
- When will I get the Lifetime ISA bonus?
- Can I cancel my Lifetime ISA?
- Can I close my Stocks and Shares Lifetime ISA?
- What tax will I pay?
- What happens if I move abroad?
- What happens in the event of my death?
- How do I complain?

What is a Lifetime ISA?

Lifetime ISAs are a type of Individual Savings Account (ISA) designed to help people save for two specific purposes:

- To purchase their first home (up to £450,000); and/or
- For later life/retirement savings, after you turn 60 years old.

A Lifetime ISA lets you save up to £4,000 every tax year from your 18th to your 50th birthday and use the money towards purchasing your first home or for later life spending (once you're 60+). By contributing to a Lifetime ISA, the government provides a 25% bonus, up to £1,000 a year.

However, unless you're diagnosed with a terminal illness, withdrawing from a Lifetime ISA for any reason other than buying your first home or later life spending will result in a government withdrawal penalty of 25%, which recovers the government bonus and any growth on that bonus plus an additional amount, meaning you could receive back less than you paid in.

What is a Stocks & Shares Lifetime ISA?

A Stocks & Shares Lifetime ISA provides a tax-efficient way of investing. All income and capital gains arising within a Lifetime ISA are exempt from any personal liability to UK income tax and capital gain tax.

Who can open a Tembo Stocks & Shares Lifetime ISA?

To open a Tembo Stocks & Shares Lifetime ISA, you must be an individual at least 18 years old but under 40 and either a resident of the UK or, if you don't live in the UK, a member of the armed forces or a Crown servant (for example, diplomatic or overseas Civil Service) or their spouse or civil partner. You'll also need a national insurance number and email address.

How do I open a Stocks & Shares Lifetime ISA with Tembo?

You can open an account through the Tembo App, which is available on the app store. You can then complete an application form through the app, which we will process. If you meet the eligibility criteria, your account will be set up, and you'll be able to add money to it. However, please be aware that your Lifetime ISA will only be open once you first deposit funds into it, which must be before your 40th birthday.

How much can I save into my Lifetime ISA each year?

The current annual limit for Lifetime ISAs is £4,000. This means you can save up to £4,000 into your Lifetime ISA each tax year (which runs from April 6th to April 5th) until your 50th birthday. Please be aware that there is a £20,000 annual subscription limit that is shared with other ISA products, meaning, for example, if you invest £4,000 into a Tembo Lifetime ISA this tax year, you would have £16,000 of your overall £20,000 limit to invest into any other ISAs.

How can I contribute to my Stocks & Shares Lifetime ISA?

You can make one-off contributions and set up regular contributions by Direct Debit by initiating this in the mobile App. The minimum contribution by direct debit is £25. The minimum contribution by instant bank payment (one-off contribution) is £10. Contributions must come from a UK current account in your name.

Which investments can I invest in?

By investing in the Tembo Stocks & Shares Lifetime ISA, you will be able to invest in the investment funds that are available through the Tembo app. We offer a limited choice of funds that are designed to accumulate income within the funds, so they will not pay you anything separately from the fund. Currently, we only provide access to one fund, which means that by investing in the Tembo Stocks & Shares Lifetime ISA, your funds will be invested in the BlackRock MyMap 5 Select ESG Fund. You can find more information on this fund at <https://www.blackrock.com/uk/individual/products/308822/mymap-5-select-esg-fund>, including their [Key Investor Information Document](#).

What are the charges for this account?

For the Tembo Stocks and Shares Lifetime ISA, an annual management fee of 0.35% is charged. This fee is calculated and deducted from your account balance on a monthly basis.

Additional fees apply within the investment fund you invest in and are charged by the fund manager, not Tembo. These fees are currently comprised of an annual fund provider fee of 0.17%, which is subject to change in the future. More information is available in the [fund documentation](#) and through the Tembo app.

When can I withdraw funds from my Stocks & Shares Lifetime ISA?

You can withdraw funds from your Stocks & Shares Lifetime ISA at any time; however, you'll pay a government withdrawal charge of 25% if withdrawing for any reason other than if you're:

- buying your first home that meets each of the necessary conditions (see [below](#));
- aged 60 or over; or
- terminally ill, with less than 12 months to live

If you make a withdrawal, we will sell your investments in order for the amount to be withdrawn in cash. The withdrawal will be processed once the relevant investments have been sold and we have received the proceeds of the sale; the payment may then take up to 3 working days to arrive.

Please be aware that the 25% withdrawal charge recovers any government bonus you received on your original savings plus an additional amount of your savings, meaning you could get back less than you put in. For example, if you invested £4,000 and received a 25% bonus (£1,000), your total balance would be £5,000. If you then withdraw £5,000, you'll have to pay a 25% penalty, which is 25% of the amount withdrawn (25% of the £5,000), meaning you'll pay a penalty of £1,250 and only withdraw £3,750 (which is less than you originally put in).

How do I use my Lifetime ISA to purchase my first home?

You can use your Lifetime ISA to purchase your first home if the following conditions apply:

- You must be a first-time buyer;
- You must occupy the property as your main residence immediately upon completion;
- The value of the property you want to buy must be £450,000 or less and be in the UK;
- Your Lifetime ISA has been open for at least 12 months (meaning at least 12 months since your first contribution);
- You use a conveyancer or solicitor to act for you in the purchase - we will pay the funds directly to them;
- You buy the property using a mortgage (that isn't a private mortgage, as explained [here](#))

When you're thinking of buying and meet the conditions above, get in touch with our team via the app. We'll then send forms for you to pass on to your conveyancer, which they will complete to request the release of your funds. It can take up to 30 days to transfer the funds to the conveyancer, so please bear this in mind.

Can I open a Lifetime ISA if I have a Help to Buy ISA?

Yes, but you'll only be able to use one government bonus from either your Help to Buy ISA or Lifetime ISA towards the purchase of a first home. Therefore, if you already have a Help to Buy ISA, please consider this before opening this account.

I'm looking to buy a home with my partner; can we both use a Lifetime ISA?

Whilst it's not possible to have a 'joint' Lifetime ISA, you can each have a Lifetime ISA and use it towards the purchase of your first home. If one of you has previously owned a home, only the first-time buyer would be eligible to use their Lifetime ISA towards purchasing the property.

Can I transfer an existing ISA or Lifetime ISA to a Tembo Lifetime ISA?

Currently, you can transfer an existing Lifetime ISA to us but cannot transfer an ISA to a Tembo Lifetime ISA. To transfer a Lifetime ISA to us, you must initiate a transfer via the app. Please be aware that if you are transferring a Stocks & Shares Lifetime ISA to us, we will only accept a transfer of your existing Stocks & Shares Lifetime ISA to us in cash, meaning any investments you hold would have to be sold before the transfer takes place.

Can I transfer my Tembo Stocks & Shares Lifetime ISA to another provider?

You can transfer the value of your Tembo Lifetime ISA to another provider at any time. To transfer your Lifetime ISA to another provider, please contact them to initiate this. Your new provider will then contact us to arrange the transfer.

Can I open a Tembo Lifetime ISA if I already have one with another provider?

You can open multiple Lifetime ISAs during your lifetime, but you can only contribute to one Lifetime ISA each tax year. Therefore, if you have contributed to another Lifetime ISA this tax year, you can't open a Tembo Lifetime ISA until the next tax year. However, you could transfer your Lifetime ISA to us instead.

If I use a Lifetime ISA to buy my first home, can I use it to save for retirement afterwards?

Absolutely! Lifetime ISAs can be used to save for retirement as well as to buy your first home. Just remember to keep your Lifetime ISA open after you purchase your first home by keeping at least £1 in the account or reopening it before you turn 40. You'll be able to continue contributing to your Lifetime ISA up until the day before your 50th birthday and then access your savings once you turn 60.

When will I get the Lifetime ISA bonus?

We'll claim the bonus from HMRC on your behalf and automatically add it to your account. The 25% government bonus is paid in arrears each month. This means that when you contribute to your Lifetime ISA, the government bonus will usually be paid at the end of the following month

or within the first 10 days of the next month (you'll usually see the bonus within 4-9 weeks of the date of your deposit).

Can I cancel my Lifetime ISA?

If you are unhappy with your choice of account within 30 days of making your first deposit, you can cancel your account via the app or by emailing us at hello@tembomoney.com. By cancelling your account within this 30-day cancellation period, any money you put into your account will not count towards your annual subscription limit, and you will not incur the government withdrawal penalty. Upon closing your account, we will return your money to you, but not any additional amount reflecting any growth in your account. If the value of your investments decreased before the account was cancelled, you may receive less than you put in.

Can I close my Stocks and Shares Lifetime ISA?

You can close this account at any time by contacting us via our App or emailing us at hello@tembomoney.com. However, by closing your account, your funds will be subject to the 25% government withdrawal penalty.

If the account holder has passed away, please let us know by contacting us via the App or by email.

What tax will I pay?

Within a Lifetime ISA, there's no income, capital gains or other tax to pay on the interest earned or gains made. However, tax treatment depends on your individual circumstances, and rules may change in future.

What happens if I move abroad?

You must notify us of any change of tax residency. You can do this through the live chat functionality on our mobile app.

If you are a UK resident but move abroad, your Lifetime ISA can remain open and keep its tax-free status. However, you cannot make further subscriptions in subsequent tax years unless you are a Crown employee or married to/in a civil partnership with a Crown employee.

If you return to the UK and notify us, you will be able to pay into your Lifetime ISA again (subject to the annual ISA allowance). You can check your tax residency status online by visiting <https://www.gov.uk/tax-foreign-income/residence>.

What happens in the event of my death?

If you pass away, your Lifetime ISA will form part of your estate for inheritance tax purposes, and your spouse or civil partner can inherit the ISA tax advantages.

Once we are notified of your date of passing, we will designate your Lifetime ISA as a "continuing account of a deceased investor," meaning the account will maintain its ISA status for up to three years after that date. The account will continue to benefit from tax advantages until the completion of the administration of your estate, the closure of the account, or the third anniversary of your passing.

How do I complain?

To make a complaint, please send us a message on Live Chat within our app or by emailing us at complaints@tembomoney.com.

We respond to all complaints within 8 weeks. If you're not satisfied with our response, you can refer your complaint to the Financial Ombudsman Service (FOS) via their website at <https://www.financial-ombudsman.org.uk/make-complaint>, by writing to them at Financial Ombudsman Service, Exchange Tower, London E14 9SR or by telephoning 0800 023 4567.

Further details of our complaint procedures are available at: <https://www.tembomoney.com/legal-documents>.

Important information about compensation arrangements

The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation if firms are unable to meet claims made against them. For investments, in general, up to £85,000 may be claimed if an investment firm goes out of business and cannot return investments or money.

Further information about the compensation provided by the FSCS can be found on the FSCS website at www.fscs.org.uk and in our [FSCS information document](#), available on our website.

What might a Lifetime ISA be worth at age 60?

The table below is designed to help you understand what the value of a Lifetime ISA might be at age 60, depending on the age at which saving starts and assuming the maximum annual subscription is made at the beginning of each tax year up to age 50 and the receipt of the lifetime ISA government bonus.

It is designed to provide information for someone who is saving for retirement in a lifetime ISA and so may not be relevant to individuals whose saving objective for a lifetime ISA is a house purchase:

Age you started saving into your LISA	The total amount you paid into your LISA	Total amount, plus government bonus	Estimated outcome at age 60 from 0% return	Estimated outcome at age 60 from 5% return	Charges and estimated inflation would reduce a 5% return
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18	£128,000	£160,000	£83,589	£314,477	2.48%
25	£100,000	£125,000	£70,680	£223,031	2.48%
30	£80,000	£100,000	£59,905	£166,888	2.48%
35	£60,000	£75,000	£47,663	£117,218	2.48%
40	£40,000	£50,000	£33,754	£73,274	2.48%

- The estimated outcomes in columns 4 and 5 are based on standardised rates of return (0% and 5%, respectively,) which may not reflect the actual or expected return or your choice of investment. To access information on the investment available through the Tembo Stocks and Shares Lifetime ISA, please see our website and/or app.
- The estimated outcomes in columns 4 and 5 also include the effect of charges and inflation (which is assumed at 2.0%).
- Column 6 shows the effect of lifetime ISA charges and inflation on the returns from a lifetime ISA, which you can use to compare the lifetime ISA charges applicable to other lifetime ISAs and charges applicable to longer-term savings products.
- The Lifetime ISA charges taken into account in the table above may vary over time and exclude any fee or charge payable in relation to advice in respect of your Lifetime ISA or in relation to the investments held in the Lifetime ISA.