Tembo Cash Lifetime ISA:
Key Features Document & Summary Box

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keyfacts®

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 Cash 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.

Tembo Savings Limited is authorised and regulated by the Financial Conduct Authority (FRN: 928010). Registered in England and Wales (company number: 12008146), our address is 18 Crucifix Lane, London, England, SE1 3JW.

Summary Box - Key Savings Account Information		
Account name	Tembo Cash Lifetime ISA	
What is the interest rate?	**Interest rate (including a bonus rate of 0.70% AER for 380 days)**	4.25% AER (variable)
	Interest rate (after first 380 days)	3.55% AER (variable) Gross rate: 3.489% (variable)
	Interest is calculated daily on your account's balance. Interest earned on the underlying interest rate is paid on the 8th working day of the following month, rounded down to the nearest penny. The bonus interest rate will be earned for 380 days from the day you submit your application for your first Tembo Cash Lifetime ISA. Bonus interest is paid on the 8th working day of the month after the end of the 380-day bonus accrual period. Bonus interest accrues only on the cleared balance of the account, meaning it does not accrue on earned but unpaid interest. The bonus interest rate does not apply to existing Tembo Lifetime ISA customers. AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest were paid and compounded once each year	
Can Tembo change the interest rate?	Yes, the underlying interest rate is variable; it can go up as well as down. You will receive at least 7 days' notice before an interest rate decrease.	
What would the estimated balance be after 12 months based on a £1,000 deposit?	**Estimated balance after 12 months (underlying interest rate of 3.55% AER and a bonus rate of 0.70% AER for the first 12 months)**	£1,301.57
	Estimated balance after 24 months (only the underlying interest rate of 3.55% AER is paid for months 13 to 24)	£1,347.78
	This assumes that: - The account is opened with a £1,000 deposit, and no further deposits or withdrawals are made. - The underlying interest rate remains unchanged for the full 24 months. - The government pays a 25% bonus on your contribution within 54 days of your contribution. The estimated balance, excluding the government bonus (or if you transfer in another Lifetime ISA on which your 25% bonus has already been paid), can be seen in the table below:	

	Estimated balance after 12 months, excluding government bonus (underlying interest rate of 3.55% AER and a bonus rate of 0.70% AER for the first 12 months)	£1,042.60
	Estimated balance after 24 months, excluding government bonus (only the underlying interest rate of 3.55% AER is paid for months 13 to 24)	£1,079.62
How do I open and manage the account?	You can open and manage the account via the Tembo App. To open a Tembo Cash Lifetime ISA, you must be a UK resident (or, if you do not live in the UK, a member of the armed forces, a Crown servant, or their spouse or civil partner - see 'Who can open a Tembo Cash Lifetime ISA?' below) between the ages of 18 and 39, and your home address must be in the UK. You also need an email address and a National Insurance number. Your Cash Lifetime ISA account opening date is the date you first deposit money into your Cash Lifetime ISA. This must be before your 40th birthday. You can't pay more than the annual allowance for Lifetime ISAs set by the Government in any tax year (currently £4,000 — see 'How much can I save each year?' below). Whilst we will monitor the balance of your Lifetime ISA and any other ISAs you hold with us, it is important that you make sure you don't exceed your annual allowance through contributions to other ISAs you may have. The minimum contribution by Direct Debit is £25 per payment; the minimum one-off contribution by instant bank payment is £10. There is no maximum balance that may be held in the account — only the annual and overall ISA subscription limits described above apply.	
Can I withdraw money?	You can withdraw money from your Tembo Cash Lifetime ISA by initiating the withdrawal through the Tembo App. The minimum withdrawal amount is £100, unless you are withdrawing your entire remaining balance. You can withdraw from your Lifetime ISA without incurring a withdrawal penalty if you do so to buy your first home (subject to certain conditions explained below in answer to the question 'How do I use my Lifetime ISA to purchase my first home?') or anytime after your 60th birthday. Please note that we request 30 days' notice to process withdrawals for a home purchase. If you make a withdrawal from your Lifetime ISA before you're 60 for any other reason than buying your first home or after being diagnosed with a terminal illness, the funds will be subject to a government	

	penalty of 25% of the amount withdrawn. This removes the government bonus and some of your own money, meaning you may get back less than you paid in. If you make an ineligible withdrawal (i.e., one that incurs the government penalty), we require 45 days' notice to process it. This means you will not receive your funds for up to 45 days after your request. If you withdraw all funds from your Lifetime ISA, we will close the account unless instructed otherwise. You would then be unable to open a new Lifetime ISA with any provider until the following tax year. This may also mean that the 12-month timeframe to use a Lifetime ISA to purchase a property resets from the date you open a new Lifetime ISA. Separately, please note that once your account with Tembo has been closed (either because you transfer it to another provider, or withdraw your full balance), you will not be able to open another Lifetime ISA with Tembo, including in a future tax year.
Additional information	The Lifetime ISA is a government savings scheme. The rules, including tax benefits or bonuses, could change in the future. Interest is paid tax-free. This means that you do not pay income tax on the interest earned in the Cash Lifetime ISA. You can cancel this account within 30 calendar days of the date on which your account was opened. To cancel your account, please initiate a cancellation via the App or by emailing savings@tembomoney.com. If you cancel within 30 days, your account will be closed, and any contributions you have made will not count towards your annual ISA allowance and will not incur the government withdrawal penalty. Any interest earned up to the date of cancellation will not be paid. Please note that if you transfer your Cash Lifetime ISA to another provider or close the account before the end of the 380-day bonus period, you will forfeit all accrued bonus interest. This does not apply if you close the account early to make a qualifying first home purchase — see 'How often is interest paid, and can the rate change?' below.

Key Features of the Tembo Cash Lifetime ISA

This Key Features Document sets out the main points about the Tembo Cash 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 interest on savings without incurring income tax on that interest.

- You will access the Tembo Cash 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 Lifetime ISA is suitable for you. You must understand the features, benefits, and risks of the Cash Lifetime ISA 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 Cash Lifetime ISA. By setting up a Cash 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:

- The underlying interest rate on your Cash Lifetime ISA is variable and can change at any time. We will give you 7 days' notice before a rate decrease occurs.
- If you need to withdraw your money before you're 60, and it's not for the purchase of your first home (up to £450,000 (more information below)) or due to terminal illness, you will pay a 25% government withdrawal penalty. This recovers the government bonus and any investment growth on that bonus, plus some of your own money, meaning you could receive less than you paid in.
- If you transfer your Cash Lifetime ISA to another provider, or close it, before the end of the 380-day bonus period, you will lose all the bonus interest you have built up. This does not apply if you close the account early for a qualifying first home purchase.
- 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 current and 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 tax-free status of Lifetime ISAs is subject to UK government laws, which could change in the future, potentially affecting the tax advantages of your Cash Lifetime ISA.

Questions and Answers:

Below, we've included answers to some of the key questions you might have about this product:

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 meeting other conditions); 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 other reason will incur a government withdrawal penalty of 25%, which recovers the government bonus plus an additional amount of your money, meaning you could receive back less than you paid in.

What is a Cash Lifetime ISA?

With a Cash Lifetime ISA, you earn interest on whatever you save, and because it's an ISA (Individual Savings Account), the interest is tax-free. Tax treatment depends on the individual circumstances and may be subject to change in the future.

Who can open a Tembo Cash Lifetime ISA?

To open a Tembo Cash Lifetime ISA, you must be an individual aged 18-39 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 Cash Lifetime ISA with Tembo?

You can open an account through the Tembo App, which is available on the App/Play Store. After downloading the app, select 'Sign up' to create an account. If you meet the eligibility criteria, your account will be set up, and you'll be able to add money to it. Your Cash Lifetime ISA will only be open once you first deposit funds into it, which must be before your 40th birthday.

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 contribute to a Tembo Lifetime ISA until the next tax year. However, you could transfer your Lifetime ISA to us instead.

How much can I save 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 total £20,000 annual subscription limit that is shared with other ISA products.

How can I contribute to my Cash Lifetime ISA?

You can make one-off contributions and set up regular contributions by Direct Debit by initiating this in the Tembo 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.

When will I get the 25% 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 within 4-9 weeks of the date of your deposit.

How often is interest paid, and can the rate change?

The underlying rate of interest accrues daily and is applied to your account on the 8th working day of the following month. Accrued interest will compound whilst waiting to be paid into the account.

The underlying interest rate on the Cash Lifetime ISA account is variable and may change. You will be given at least 7 days' notice before an interest rate decrease occurs. Where the underlying interest rate increases, we will publish information on our website and mobile app, but we may not provide prior notice.

Any bonus interest rate that applies to your account will accrue daily on the account balance. The bonus interest rate accrues for 380 days from the date the application to open an applicable Tembo Cash Lifetime ISA is submitted and becomes payable only after this period, provided the account remains open with Tembo. The bonus is paid into your balance once, on the 8th working day of the month after the 380 bonus interest accrual period expires. After the first 380 days, the bonus rate will expire automatically, and you will only earn the underlying base rate, which is variable.

Please also note that if you transfer your Cash Lifetime ISA to another provider or close the account before the end of the 380-day bonus period, you will forfeit all accrued bonus interest. However, if you close the account early to make a qualifying first home purchase, your accrued bonus interest will not be forfeited and will be paid to you.

When can I withdraw funds from my Cash Lifetime ISA?

You can withdraw funds from your Cash Lifetime ISA at any time, but you will pay a withdrawal charge of 25% to withdraw money 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

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 penalty of 25% of the amount withdrawn (25% of the £5,000), meaning you'll pay a penalty of £1,250 and only receive £3,750 (which is less than you originally put in).

If you make an ineligible withdrawal (i.e. one that incurs the government withdrawal charge), you will

need to give 45 days' notice before your funds are released. Please note that the minimum withdrawal amount is £100 (unless you are withdrawing your entire remaining balance).

When can 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 are a first-time buyer purchasing a 'legal interest in land' in the UK;
- Upon completion, you intend to occupy the property as your only or main residence;
- The value of the property you want to buy is £450,000 or less (more information here).
- You buy the property at least 12 months after you make your first payment into the Lifetime ISA;
- 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)

More information on the requirements for using a Lifetime ISA to purchase a first home can be found 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, who will complete them to request the release of your funds. Please note that we request 30 days' notice to process home purchase withdrawals. We do of course understand that the full 30-day period is not always possible and will move as fast as we can on this for all of our customers; however, we cannot guarantee payment on time if we are not given enough notice to carry out the process properly.

Please note that you cannot claim a Help to Buy ISA government bonus and a Lifetime ISA bonus for the same residential property purchase.

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. 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.

What should I know about using my Lifetime ISA to save for retirement?

When you're 60 or over, you can take your savings out of a Lifetime ISA without incurring the government withdrawal penalty.

Please be aware that if you save in a Lifetime ISA instead of enrolling in, or contributing to, a qualifying scheme, occupational pension scheme or personal pension scheme, you may lose the benefit of contributions by an employer (if any) to that scheme and your current and future entitlement to means-tested benefits (if any) may be affected.

What are the fees and charges for this account?

There are no fees or charges for holding your Cash Lifetime ISA with Tembo. We will retain the difference (if any) between the interest received from the underlying third-party banks we use to hold your money and the interest paid on your savings within the Cash Lifetime ISA.

Can I transfer my existing Lifetime ISA to Tembo?

Yes, you can transfer your existing Lifetime ISA to Tembo. 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 and Shares Lifetime ISA to us, we will only accept a transfer in cash, meaning any investments you hold would have to be sold before the transfer takes place.

Can I transfer my Tembo Lifetime ISA to another provider?

Yes, 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.

Please note that we do not facilitate partial transfers to other providers, so you must transfer your entire balance to the new provider.

Can I transfer my Tembo Cash Lifetime ISA to another type of Tembo ISA or Lifetime ISA?

No, you cannot transfer your Tembo Cash Lifetime ISA to another type of Tembo ISA or Lifetime ISA. This means you cannot, for example, transfer your Cash Lifetime ISA to a Tembo Stocks and Shares Lifetime ISA, to a Tembo Cash ISA - Easy Access, or a Tembo Cash ISA - Fixed Rate.

Can I cancel my Cash 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 savings@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 interest it might have earned before you decided to cancel.

Can I close my Cash Lifetime ISA?

You can close this account at any time by contacting us via our App or emailing us at savings@tembomoney.com. However, by closing your account, your funds will be subject to the 25% government withdrawal penalty. Please also note that withdrawing all funds from your Lifetime ISA will close the account. If your Tembo Lifetime ISA is closed for any reason, please be aware that you will not be able to open a new Lifetime ISA with us in the future, even in a new tax year.

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

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. 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. Please note that in the event of your death, the 25% government withdrawal penalty will not be applied, and your beneficiaries will receive the full value of your account, including the government bonuses.

Executors will need to contact us by emailing savings@tembomoney.com to request the release of your funds.

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 endeavour to 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/making-a-complaint.

Where is my money held?

The money you pay into this Tembo Cash Lifetime ISA is deposited directly into client money bank accounts held with our third-party banking counterparties. You can find out more about the banks we use on our website and our FSCS document.

Important information about compensation arrangements

We use third-party banks to hold your money. The banks we partner with are covered by the Financial Services Compensation Scheme (FSCS), which protects money in the event that a bank or financial institution is unable to meet its financial obligations.

The FSCS can pay compensation of up to £120,000 per person for your total eligible deposits with a particular bank, whether it is deposited by Tembo Savings, by other providers, or by you directly with the bank. This means that if the bank we hold your money with goes out of business and is unable to return your money, the FSCS may compensate you up to this limit, subject to eligibility.

Further information about the compensation provided by the FSCS can be found on the FSCS website at www.fscs.org.uk.

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 to
18	£128,000	£160,000	£95,268	£363,900	3.0%
25	£100,000	£125,000	£79,380	£252,341	3.0%
30	£80,000	£100,000	£66,539	£185,974	3.0%
35	£60,000	£75,000	£52,334	£128,726	3.0%
40	£40,000	£50,000	£36,619	£79,343	3.0%

Please note:

- 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 (where applicable). To access information on the rate of interest available, please see our website for the most up-to-date information.
- The estimated outcomes in columns 4 and 5 also include the effect of charges and inflation (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.
- **Please note that this is not representative of the return currently offered by the Cash Lifetime ISA, which is less than the 5% used in the illustration.** If you use our Cash Lifetime ISA to save for your retirement, the estimated outcome at age 60 could be significantly less than the figures provided in column 5.