



September 2024

Stocks & Shares Junior ISA Terms & Conditions

The Stocks and Shares Junior ISA Terms and Conditions

These Terms, together with the Application Form, form a legal agreement between you and Scottish Friendly Asset Managers Limited (the Account Manager) which sets out how your Junior Individual Savings Account will be operated.

1. Definitions

The following words and expressions, when used in these Terms, have the meanings set out opposite them:

Accounts or Junior ISA - a Scottish Friendly Individual Savings Account governed by these Terms and which is a Stocks and Shares Junior ISA or a Cash Junior ISA, or a UK Growth Fund or Managed Growth Fund OEIC Investment outside an Junior ISA;

Account investments – Shares, Units and any other investments held in an Account;

Account Manager or Scottish Friendly – Scottish Friendly Asset Managers Limited;

Application Form – a Scottish Friendly Junior ISA or UK Growth Fund or Managed Growth Fund OEIC Investment application form or transfer application form;

Assets – investments, income, interest, cash deposits and any other rights and entitlement from time to time held within the Account;

Associate – any holding company of the Account Manager or a subsidiary of any such holding company (as defined in the Companies Act 1985);

Bank – the Governor and Company of Lloyds Bank plc, having its Head Office at 25 Gresham Street, London, EC2V 7HN an authorised institution under the Banking Act 1987;

Business day – Any day except a Saturday, Sunday, a Bank Holiday in England and other days at the Authorised Corporate Director's discretion;

Client Account – A bank account held by us with the Bank under the Client Money Regulations;

Child – the child under who's name the Junior ISA will be set up and who does not have a Child Trust Fund opened in their name.

CTF Regulations - The Child Trust fund regulations 2004 as amended from time to time.

Scottish Friendly OEIC – an Open-Ended Investment Company operated by the Account Manager (and, in the case of an umbrella company, a sub-fund of such company);

FCA – the Financial Conduct Authority;

Junior ISA – A Junior Individual Savings Account managed under the Regulations;

OEIC Shares – shares in a Scottish Friendly OEIC which may be held in an Account;

Regulations – the Individual Savings Account Regulations 1998, as from time to time amended and in force;

Registered Contact – the person taking out the Junior ISA for the child, normally the person with parental responsibility;

Subscription – A payment, in sterling, to be applied to the Account;

Terms – these Terms (as amended from time to time), together with the Application Form;

We, us and our – the Account Manager, Scottish Friendly Asset Managers Limited;

Year – a tax year beginning on 6 April in any calendar year and ending on 5 April in the following year;

You and your – a registered contact who has opened an Account on behalf of a child under these Terms. These Terms will be governed by and construed in accordance with Scottish law.

Reference to any statutory provision or regulation includes any modification or reenactment.

Any headings and subheadings are not a legally binding part of these Terms.

Where appropriate, the words in the singular will include the plural, and the masculine will include the feminine.

2. Account Manager

- A.** Scottish Friendly Asset Managers Limited agrees to act as Account Manager for the CTF Account. We do not review the portfolio and we do not give advice about the CTF Account. We are authorised and regulated by the Financial Conduct Authority. Our address is Scottish Friendly Asset Managers Limited, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ.
- B.** Our address is Scottish Friendly Asset Managers Limited, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ.
- C.** We may assign to any appropriate Associate all of its benefits and obligations under these Terms. You will be notified of any such assignment.
- D.** We may appoint any person (whether or not an Associate) to advise on or perform any of its functions or responsibilities under these Terms and may provide information about you and the Account to any such person. We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under these Terms is competent to carry out those functions or responsibilities.

3. Application to Open an Account

- A.** An application to open an Account must be made in writing on an Application Form. Subject to the Regulations, the Account will be managed in accordance with your directions set out in your Application Form. These Terms will come into force when the policy document is issued and your first payment is successfully collected. On acceptance, each new Account will be designated by us as either a Stocks and Shares Junior ISA or a UK Growth Fund or Managed Growth Fund OEIC Investment outside an Junior ISA. You can only subscribe to one Stocks and Shares Junior ISA for each child for which you are the registered contact. We reserve the right to reject any application.

- B.** Payments into the Account can be from any source of funds.
- C.** You (or anyone else) may invest one or more lump sums in the Account during the Year. In addition, or alternatively, when provided in the Application Form you (or anyone else) may make regular contributions by Direct Debit under a monthly investment plan. You must submit with your Application Form a cheque for the full amount of the initial subscription (in the case of a lump sum investment) and/or a Direct Debit Instruction to a Bank or Building society (in the case of regular contributions).
- D.** You will be sent an acknowledgement when you make a lump sum contribution or set up a monthly investment plan. This will be sent to you on the day following your application being received by us.

4. Minimum Subscription

A. Lump Sums

The minimum initial investment is as specified in the Application Form. Additional lump sum contributions are subject to the minimum specified in the Application Form.

B. Monthly Investment Plans

The minimum monthly contribution is as specified in the Application Form. Monthly Direct Debits will normally be collected on the date specified on the Application form of each month.

Direct Debit Guarantee



This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits. If there are any changes to the amount, date or frequency of your Direct Debit Scottish Friendly will notify you 5 working days in advance of your account being debited or as otherwise agreed. If you request Scottish Friendly to collect a payment, confirmation of the amount and date will be given to you at the time of the request. If an error is made in the payment of your Direct Debit, by Scottish Friendly or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society. If you receive a refund you are not entitled to, you must pay it back when Scottish Friendly asks you to. You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

- C.** We reserve the right to reduce or waive the minimum subscription.

5. Maximum Subscription

There is a maximum amount that can be paid into a cash or Stocks and Shares Junior ISA each subscription year. For current limits please go to www.gov.uk/junior-individual-savings-accounts.

If any over subscriptions are received by us we will make all reasonable endeavours to return the payment to the sender.

6. Cancellation

There are no cancellation rights available under this plan.

7. Investment Objective

The investment objective of the Account will correspond to the qualifying investments specified in your Application Form.

8. Account Investments

- A.** The Account includes Investments and any cash balances, all income and other rights, and the benefit of any tax relief in respect of such investments.

- B.** For each subscription or transfer payment received, we will allocate OEIC Shares using the share price effective at the next 12-noon valuation following receipt of the payment. The total value of the OEIC Shares we allocate at those prices will be equal to the payment received.
- C.** We will automatically reinvest all income in respect of Account investments net of any tax liability.

9. Title

- A.** The Account Investments will be beneficially owned by the child at all times, and this cannot be changed. The Account cannot be assigned to a third party or used as security for a loan.
- B.** OEIC Shares in the Junior ISA will be registered in the name of the child.
- C.** No OEIC share certificates will be issued. We will hold any records evidencing title to the Account Investments.
- D.** We will not lend Account Investments or the title documents to a third party and will not borrow against the security of Account Investments or such documents.

10. Taxation

We will make all necessary claims for tax relief relating to the Account. However, the fund in which you invest in receives UK dividend income net of Corporation Tax.

11. Statements

We will send you a statement every 6 months, showing the value of the Account and details of all transactions in the Account since the previous statement. The statements will not include a measure of performance. We may produce a consolidated statement if you have more than one Account.

12. Reports and Voting

- A.** If you so request, we will arrange for you to receive copies of the annual reports and accounts available to investors in any Scottish Friendly OEIC in which your Account is invested. We reserve the right to debit the Account with our standard charge for making such arrangements (currently £20 per communication with you).
- B.** Subject to any applicable law or regulation

and if you so request, we will arrange for you to be able to attend any meetings of direct investors in any Scottish Friendly OEIC in which your Account is invested, to exercise voting rights, and to receive, in addition to the documents referred to in paragraph A above, any other information issued to investors. We reserve the right to debit your Account with our standard charge for making such arrangements (see paragraph A above).

- C. Subject to any applicable law or regulation, we may exercise any voting rights attaching to Account Investments unless you have elected to exercise such rights yourself.

13. Withdrawals

- A. You cannot make any withdrawals from a Junior ISA. When the child turns 18 and the Junior ISA becomes an ISA then withdrawals can be made. Before making any payments to the child, they have to complete and adult ISA application and we will need to verify their identity.
- B. You can however transfer your Junior ISA to another Junior ISA provider (see section 15).

14. Charges

- A. There are no initial charges.
- B. Management Fees: Holdings of OEIC Shares are also subject to management fees, charges and expenses. These are deducted from the property of the Scottish Friendly OEICs and not from your Account. The Annual Management Charge is 1/365% deducted daily from the unit price.
- C. We reserve the right to discount or waive any charges.
- D. We may increase charges but only after giving you three months' written notice.
- E. We shall be entitled to deduct and retain all charges payable under these Terms, and may apply any cash or sell any Account Investments to pay such charges or to pay any tax liabilities under the Account.

15. Transfer to New Junior ISA Account Manager

- A. You may instruct us to transfer the whole of your Account to another approved account manager, within such time as shall be agreed, subject to and in accordance with the Regulations.

- B. Only cash may be transferred, and we will convert Account Investments into cash after receiving your instructions. We may deduct from the transfer any sums due to it.

16. Death

- A. The Account ceases to be exempt from tax on the death of the child and will terminate. When written notification of the death is received, we will sell the Account Investments and hold the proceeds on deposit in Sterling.
- B. Upon receipt of the death certificate, the grant of probate or appropriate legal confirmation, we will transfer the cash balance of the Account to the child's personal representatives. These Terms are binding on the child's personal representatives. We may at our discretion accept or reject instructions received from the child's personal representatives.

17. Void Junior ISA Accounts

The Account will be managed in accordance with the Regulations, which take precedence over these Terms.

We will notify you if, as a result of any failure to comply with the Regulations, the Account is or becomes void.

When an Account is voided, we will sell the Account Investments and pay you the proceeds together with any cash balance held in the Account. We may deduct any charges or other amounts due to us, any tax liabilities under the Account, and any additional expenses incurred in terminating the Account.

18. Client Money

Any uninvested cash held on your behalf (e.g. money awaiting investment or the proceeds of encashment) will be held in a specific client money bank account with the Bank, separate from our money in accordance with the FCA's client money rules. You will not receive interest on any money held in a client money account. If the bank we have chosen to hold your money becomes insolvent, we will have an unsecured claim on behalf of

all of our clients regarding the client money bank account. This means that you will share proportionately in any shortfall with other creditors of the credit institution or bank. If you have a shortfall, you may be eligible for compensation under the Financial Services

Compensation Scheme (FSCS). If we were to become insolvent and there's a shortfall in the client money account, any losses will be shared proportionately across all our customers with money in that account in accordance with Client Money Rules. Again, you may be entitled to compensation under the FSCS.

We will exercise all due skill, care and diligence and will periodically (usually annually)

review the adequacy and appropriateness

of any bank selected to hold your money, in accordance with FCA Rules. We will otherwise not be liable for any losses arising from any acts or omissions of the bank in connection with the client money account resulting from the bank's negligence, wilful deceit, or fraud. If, for whatever reason, payments made to you remain unclaimed and there has been no movement on the account, we will hold that money for a period of at least six years during which time we will make reasonable attempts to contact you in accordance with FCA Rules.

After six years we may make further efforts to contact you and let you know that we no longer intend to continue to hold the money and intend to transfer it to a registered charity of our choice unless you let us know what you would like us to do with it. If we receive no response, we shall be entitled to no longer treat that money as client money in accordance with FCA Rules and shall pay it to charity. If you subsequently make a valid claim for the money, we will still pay it to you. Any unclaimed money will no longer be protected by client money regulations.

19. Information for the Account Manager

You must provide us with all information which we reasonably request for the purposes of the Account and, in particular, you must immediately inform us in writing of any change of tax status or other material change in circumstance.

20. Notices and Instructions

Notices and instructions to us should be in writing and signed by the registered contact. Notices and instructions sent by facsimile will be accepted.

Notices and other documents to be given to the registered contact will be posted to their last registered address for and will be considered received two days after posting.

We are entitled to treat as valid instructions given by the registered contact, or on their behalf, even if that is not the case because of the wrong doing of another person, unless that other person is an employee or agent of the Account Manager.

21. Liability

You indemnify us against all liabilities incurred by us in connection with the Account, other than liabilities caused as a direct result of our negligence, knowing default, or breach of the rules of FSA or of these Terms.

We are liable for our negligence, knowing default, and for any breach of the rules of FSA or of these Terms. We are not liable for any loss caused through a fall in value of Account Investments.

We accept no responsibility for the Account until cleared funds are received, nor for any loss or delay caused in the payment of funds to us.

For the purposes of this paragraph 20, references to you include your (or the child's) personal representatives and references to the Account Manager includes its nominees.

22. Authorised Corporate Director

The Authorised Corporate Director of the Scottish Friendly Investment Funds OEIC is Scottish Friendly Asset Managers Ltd, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ.

23. Complaints

For further information, or if you wish to complain about any aspect of the service you have received, please contact Scottish Friendly Asset Managers Limited, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ. If your complaint is not dealt with to your satisfaction, you can write to the Financial Ombudsman Scheme.

This will not affect your right to take legal action.

24. Compensation

If Scottish Friendly is unable to meet its liabilities, compensation may be payable by the Financial Services Compensation Scheme. The maximum level of compensation for claims against firms declared in default is 100% of the claim with no upper limit. Further information on the Scheme can be obtained from the Financial Services Compensation Scheme.

Tel: 0800 678 1100

www.fscs.org.uk

25. Authorised Corporate Director

The Authorised Corporate Director of the Scottish Friendly Investment Funds OEIC is Scottish Friendly Asset Managers Ltd, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ.

**Scottish Friendly Asset Managers Limited,
Galbraith House,
16 Blythswood Square,
Glasgow G2 4HJ.**

www.scottishfriendly.co.uk

Authorised and regulated by the Financial Conduct Authority. Details can be found on the FS register – Registration No. 188832. Member of The Investment Association.

