

# Bank of Scotland Ready-Made Investments

Terms and Conditions



**BANK OF  
SCOTLAND**

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We have used plain English wherever we can but avoiding technical terms is not always possible.

Where we use a technical term, it is explained in the glossary in Appendix A.

"You" or "your" means any person or persons who hold a Ready-Made Investment Account.

Ready-made Investments are provided by Embark Investment Services Limited, registered number 09955930, Authorised and regulated by the Financial Conduct Authority, registration number 737356.

"Us", "our" and "we" mean Embark Investment Services Limited. Words in singular shall include plural and words in plural shall include singular.

# 1

## GENERAL TERMS & CONDITIONS

### 1.1 Our Contract With You

We offer two Products that are only available to you through Accounts as part of Ready-Made Investments.

The terms and conditions upon which a Ready-Made Investments ISA Account and/or Ready Investment Account will be provided by us includes the General Terms and Conditions found in this section and the relevant additional Terms. The additional Terms for the Ready-Made Investments ISA can be found in Section 2, and the additional Terms for the Ready-Made Investments General Investment Account can be found in Section 3.

The General Terms and Conditions described above together with the terms contained in the additional documents listed below (as applicable to you) describe the legal Terms of agreement between you and us (the "Terms & Conditions") upon which we will provide the Accounts to you.

The additional documents are:

- Ready-Made Investments ISA declaration;
- Key Features Document for the Ready-Made Investments ISA Account;
- Key Features Document for the Ready-Made Investments GIA Account;
- Confirmation Schedule; and
- Charges Information Document.

This agreement will start when we confirm that we have accepted an application by you to open a Ready-Made Investment Account. We confirm this to you when we send you the Confirmation Schedule. If, for whatever reason, we cannot accept an application to open an Account for you, we will inform you and no Ready-made Investment Account will be set up.

We will require a separate application to be made for each Ready-made Investment Account to be opened with us. Our acceptance of the first application does not mean that we will accept your application for any further Ready-made Investment Accounts.

We may transfer all or part of our rights and obligations under our Terms & Conditions with you to another firm. We will not ask for your consent to do this, except where required by regulation, but will only do so if that other firm agrees that your rights under these terms and conditions will not be badly affected in any way. You will be provided with the Data Privacy notice of the other firm ahead of any transfer of data to them this will explain how the firm will use and store your personal data.

### 1.2 Roles And Responsibilities

#### 1.2.1 Our Role And Responsibilities

We are the provider of the Ready-Made Investment Products as detailed in Section 1.1.

We classify you as a "Retail Client" under the Financial Conduct Authority (FCA) Rules. This entitles you to a level of protection in the event you need to complain or claim compensation. It also means that we commit to providing you with information in a clear and straightforward way.

We will:

- operate your Ready-Made Investment Account in line with these Terms & Conditions, the FCA Rules and any other Applicable Laws;
- use appropriate care and skill in operating your Ready-Made Investment Account;
- act reasonably, proportionately and fairly, in line with the FCA Rules or any other Applicable Laws when we use our discretion, make a decision, or require information, in accordance with these Terms & Conditions;
- act on an execution-only basis, meaning we will not give any financial, legal, tax or similar advice relating to your Ready-Made Investment Accounts or any Instruction or Trade Instruction in respect of an Investment that you make;

- where applicable, collect regular contributions from your nominated bank account on the collection date selected by you;
- transmit Trade Instructions to buy and sell Assets to the appropriate Fund Manager, in line with our Order Execution Policy
- hold your Assets and Cash in line with the FCA CASS 6 Custody Rules and CASS 7 Client Money Rules; and
- make a statement available to you on how the Investments in your Account are performing every three months from the start date of the first Account that is opened with us, together with any other information regulators require us to send to you from time to time.

We may, from time to time, delegate some of our functions to Trusted Third Parties.

We will not:

- make any decisions about the merits of any instructions or trades and will carry out as instructed.
- be responsible for the performance of any Assets you invest into;
- be responsible for the acts and omissions of any Fund Manager, our Banking Partner, or Trusted Third Parties except if they arise as a result of our negligence or wilful default in line with Section 1.17.4;
- be responsible if you cannot access your Ready-Made Investment Account during core operational hours because of unplanned interruptions;
- be responsible for events beyond our reasonable control in line with Section 1.17.1.

### 1.2.3 Your Responsibilities

You agree:

- to complying fully with all Applicable Laws;
- that you are responsible for providing your Instructions and Trade Instructions;
- to provide any personal identification that we ask for before instructing us to open an Account for you;
- to provide any information we ask for including your bank details if necessary
- that the decision to open an account and invest is yours based on the information you have been provided with about the accounts and funds, and you understand that you are not receiving advice.
- to notifying us immediately if there is any breach of any of these Terms & Conditions by you
- that any Instructions and Trade Instructions you provide to us will be accurate
- to provide us with a current email address with which we can contact you and you will tell us promptly should the email address change;

- to regularly log on to your online Ready-Made Investment Account to review your Account/s as well as any communication or documentation we may add to your Document Library from time to time;
- to update your online Account as soon as possible of any changes to the information you have provided to us, for example, changes to your name, where you live, email address or bank or building society account or citizenship or country of tax residence;
- to tell us immediately if you do not recognise any transaction, or if you know or suspect that any Instruction or Trade Instruction you have authorised has been carried out incorrectly;
- that in the event there is insufficient Cash or Assets within your Account to pay any Charges, you will pay those Charges to us if we ask you to
- to provide us with the information we ask for, including your NI number, to ensure your personal records are complete. If you don't provide this information, we may not be able to proceed with any Instruction or Trade Instruction

### 1.3 Eligibility

To open a Ready-Made Investment Account you must be:

- at least 18 years old, and
- resident in the UK for tax purposes for at least 6 months. .Or you must be a crown employee serving overseas or their spouse or civil partner, and

You are responsible for determining whether you meet these eligibility criteria.

You may not open an Account if you are a US Person.

If, after opening an Account your eligibility status changes you must tell us immediately, as you may no longer be eligible to contribute or keep the Account open.

### 1.4 Applying For A Ready-Made Investment Account

A Ready-Made Investment Account can be opened with a minimum payment of £50 if paid monthly or £500 as a one-off, or as a transfer.

To apply for a Ready-Made Investment Account, you will complete and submit an electronic application together with any documentation we require. By submitting your application, you confirm your acceptance to these Terms & Conditions.

Applications must be made together with:

- a payment which meets the minimum payment requirements, and/or
- a Direct Debit Instruction which meets the minimum payment requirements, and/or
- where you are opening an Account with an ISA transfer, a fully completed Transfer Authority.

Your Ready-Made Investment Account will be opened once we issue you with a Confirmation Schedule.

We have the right to refuse any application to open a Ready-Made Investment Account.

You must ensure the correct Account reference details are included in all direct credit payments, to enable the funds to be allocated to your Account. We will not be responsible if we are unable to match funds received for an Account with the Account reference details

#### 1.4.1 Applying For Other Accounts

Once you open your Ready-Made Investment Account, you are able to open a further Account. You will need to complete and submit an electronic application for each new Account and provide us with any further documentation we may require.

### 1.5 Cancellation Rights

You have the right to cancel your application. On receipt of valid instructions to cancel, either in writing, by email or by telephone, we will process instructions to sell any assets purchased with your payment or cash transfer in line with Sections 1.5.1, as well as our Order Execution Policy (Appendix B). We will not return a cancelled payment until the payment has cleared.

We will return payments to the source from which we receive them.

Additional cancellation terms apply to the Ready-Made Investment ISA (Section 2.3).

#### 1.5.1 Cancellation Rights: Cash Contributions

On starting an Account with a regular payment, a one-off payment or cash transfer and for each subsequent cash transfer we will send you a Confirmation Schedule which will include details of "Your right to cancel".

You will have a 30-day cancellation period that will start from the date you receive the Confirmation Schedule.

If you exercise your right to cancel an Account during the 30-day cancellation period, what you get back will depend on the type of payment we receive:

- For a regular payment, we will repay the payment we received at the start of the Account.
- For a cash transfer or one-off payment, we will return the payment, less any fall in the value of the assets purchased with that payment. We will also not refund you any charges applied by third parties as described in section 1.12.

Any gain in the value of your assets up to the point at which you cancel will be returned to you if you cancel an Account during the 30-day cancellation period.

### 1.6 Accessing Your Ready Made Investment Account Online

As a Ready-Made Investment Customer you will be given access to view your Account online. This access is available from when the first Account is opened by us.

It is your responsibility to keep all your Account details safe and secure and ensure they cannot be accessed by others.

We will take all reasonable steps to ensure your Account is available online at any time. There will be times when we need to interrupt our Online Service to perform maintenance.

You must take all reasonable precautions to prevent unauthorised use of your account and inform us if you become aware or suspect someone else knows these details and you want the Account blocked.

Your online Account access will allow you to view details of your Account for example, where your money is invested and the investment values. It also has an online Document Library that allows you to view Account literature and your Charges Information Document together with other documents and statements applicable to the administration of your Account.

It is important that you maintain the email address we have for you to ensure that any important communications or alerts are received. You should also make sure that your email settings are set up to receive emails from us.

If you open a further Ready-Made Investment Account, you will automatically be able to view all the details and documents for the new Accounts under the same access.

### 1.7 Contributions Into Your Account

Subject to any restrictions detailed in Sections 2.4, contributions to your Account can be made in the following ways:

- regular contributions by Direct Debit
- one-off contributions by BACS, CHAPS, Faster Payment or cheque
- one-off contributions by debit card.

Note: We may apply a handling charge for any contributions received by cheque.

On identifying a contribution for an Account and receipt of all required information, we will match the contribution with any associated Instructions or Trade Instructions.

We will process Trade Instructions to buy the Assets specified as soon as reasonably practicable, and (where applicable) in line with our Order Execution Policy (see Appendix B).

If we are unable to match the contribution with an Account, we will return the contribution as soon as practicable to the bank or building society from which the payment came. If the contribution is by cheque, we will return the cheque to you.

We may also return contributions if:

- we receive a contribution before we receive an electronic application, as described in section 1.4; or
- the value of the payment received differs significantly from the amount you advised us we would receive.

We reserve the right to refuse any contribution at our discretion.

### 1.7.1 Regular Contributions

You can make regular contributions monthly by Direct Debit from a verified UK bank or building society account. You can start and stop regular contributions at any time.

The collection date for contributions must be a date from the 1st to 28th of the month.

We will process Direct Debit Instructions as soon as reasonably practicable after we receive them. Where an Instruction is received by us within 10 days of an intended collection date, the collection will not happen until the following scheduled collection date. If a collection date is not a Business Day, we will collect it on the next Business Day.

It is possible to set up more than one Direct Debit for an Account. Each Direct Debit can have a different collection date provided it is a date within the period beginning on the 1st and ending on the 28th of the month. There is no limit on the number of Direct Debits which can be created.

Where Direct Debits are set up for different Accounts (ISA and GIA for instance) then the collection date can be different for each Account.

### 1.7.2 Failed Contributions

Where transfer cannot be completed from your existing provider, we will contact you to request a revised Instructions. We will not be liable for any losses of any kind arising from such delay to your Account.

Where we buy Assets on your behalf and there isn't enough money in the account to cover the payment, we will sell any assets we have bought on your behalf to fulfil your instruction.

You will be responsible for any losses we incur from any transactions that result from any payment that we don't receive, up to the value of your Account. We will do this by deducting it from Cash and, if there is insufficient Cash, by selling Assets in line with our Disinvestment Strategy described in Section 1.12.

## 1.8 Assets And Cash Assets

A range of Assets will be available through Ready-Made Investments. For the purposes of these Terms & Conditions the Assets are Mutual Funds.

Assets have varying degrees of risks associated with them and you should read the relevant Key Investor Information Document (KIID), Key Information Document (KID) or Prospectus for any Fund or PRIIP you wish to invest in as these will contain important information that could influence your decision.

We may, acting reasonably, make amendments to the types of Assets we allow in an Account. Where there is a regulatory, legal or operation requirement to remove an Asset from Ready-Made Investments or from any particular Account, we may sell them, but we will tell you at least 30 days before we do this

If you are invested in an Asset that is no longer available in that Account, and we require you to take action, we will tell you, what your options are at that time. If you don't give us an Instruction or Trade Instruction we may sell the Asset

Where an Asset cannot be sold or transferred to you for a period of 6 months, you agree to give up all rights and interests including beneficial interests in the Assets. Where possible we will give you 30 days' advance notice before we dispose of the Assets, either by:

- abandoning ownership of the Asset (for example in the case of a company in liquidation);
- novating ownership of the Asset to you without consideration; or
- selling the Asset to you.

A more detailed description of the types of Assets available is provided below.

### Mutual Funds

Are regulated collective investment schemes including:

- unit trusts;
- open-ended investment companies (OEICs);
- sociétés d'investissement à capital variable (SICAVs);
- any other permissible collective investment Scheme we make available to you through your Account.

## Asset Values

The performance of your Account generally reflects whether the value of your Assets has risen or fallen in the market. As such, we are not responsible for any loss in the value of your Assets unless it is caused by our negligence, fraud or willful default in line with Section 1.17.4.

The price which we will use for the valuation of Assets in your Account(s) will be on a mid-price basis.

## Cash

Within each Account we will hold a small proportion of your investment in Cash to meet any charges due. We do this by providing access to a bank account operated by one of our Banking Partners. This bank account is not unique to you but holds amounts of money for all Ready-Made Investments Account holders and other customers centrally in accordance with FCA Rules.

Our Banking Partners pay us a variable rate of interest on Cash held with them and they have the discretion to change the rate without notice.

We may retain a proportion of the interest we receive and pass the rest on to you less, where applicable, tax charges and/or any other deductions we are required to make by HM Revenue & Customs (HMRC).

For more information on our Banking Partners and any interest currently being paid please go to [www.embarkplatform.co.uk/banking\\_and\\_interest\\_rates](http://www.embarkplatform.co.uk/banking_and_interest_rates).

Any Cash held in an Account may be eligible for interest payments. We may retain a proportion of the interest we receive from our Banking Partners to cover our costs of administration and therefore the rate of interest which is applied to your Account will be determined by us. This treatment of interest by us is detailed in the Key Features and in the Charges Information Document. We reserve the right to change the rate of interest we pay at any time.

Cash held in your Account is also protected up to prescribed limits by the FSCS. You can find out more about this in Section 1.17.7.

### 1.8.1 Investment

You must choose the Assets in which to invest your contributions from the Investments available within Ready-Made Investments.

For each monthly contribution, one-off contribution or Cash Transfer must explain which Assets you wish to be purchased or it will be left as Cash in your Account. We will require details of this Instruction or Trade Instruction each time a one-off contribution or Cash Transfer is made, or there is a change in the level of regular contributions.

You can have a different Instruction or Trade Instruction for each one-off contribution or Cash Transfer that is set up. It is also possible to change the Instruction or Trade Instruction for future regular contributions at any time.

If your Instruction or Trade Instruction includes an Asset that:

- has become subject to a Corporate Action described in Section 1.10.6, or
  - has been withdrawn by us as an Asset available to invest into through Ready-Made Investments, or
  - has become ineligible to hold in an Account, or
  - is no longer available for investment in the market,
- then any future regular contributions relating to that Asset will be held as Cash in the relevant Account until we receive alternative Trade Instructions from you on how to invest it.

## 1.9 Buying And Selling Assets

Assets will be bought or sold at the price given at the time the Instruction Trade is confirmed by the Fund Manager. The timing of this confirmation will depend on when we receive the contribution from you (if applicable), the type of Asset and the trading Terms applied by the Fund Manager or relevant stock exchange.

### 1.9.1 Trading Instructions

Trade Instructions to buy and sell Assets will be completed online by you. These are then transmitted by us to the relevant Fund Manager.

Neither us, nor the Fund Managers will give you advice on the suitability of any Trade Instruction requested by you.

Trades will be executed on an "At Best" basis.

### 1.9.2 Buying Assets

In order to buy Assets we will need to match an appropriate Trade Instruction with other information we may request together with one or more of the following:

- an appropriate payment;
- an appropriate Cash Transfer;

We will pass the Trade Instruction to buy Assets to the appropriate Fund Managers in line with our Order Execution Policy. Once a Trade has been submitted (in other words the Instruction and the Cash are matched) you cannot cancel it.

The minimum Trade value for buying Assets is £0.01 for Mutual Funds, subject to any minimum purchase levels set by the Fund Manager.



### 1.9.3 Selling Assets

In order to sell Assets, we need an appropriate Trade Instruction and any other information as may be required by us. On receipt of this information, we will pass the Trade Instruction to sell Assets to the relevant Fund, in line with our Order Execution Policy.

If you wish to reinvest the proceeds from a sale of Assets into other Assets, you can do this using the 'switch' Online Service. Once the sale has been submitted to the appropriate Fund Managers and the price of the sale is confirmed to us, then the Asset purchase will start.

### 1.9.4 Settlement

We will settle Trade Instructions by way of Contractual Settlement on the settlement date shown on the contract note even where (depending upon the exchange on which your order is traded) we contract with underlying custodians on an Actual Settlement basis.

The crediting and debiting of Cash and Investments in your Account on the due settlement date of your order. You can check the date of these transactions on your Account statement

This means that:

- The value from sales of Assets within your Account will be reflected on your Account from the date your order is placed and will be available for the purposes of buying other investments. You will not be able to withdraw such sale proceeds from your Account until after 12pm on the settlement date shown on the contract note.
- Your Account will reflect any investments purchased, along with the associated costs, from the date of your order. You will be able to sell your investments immediately regardless of whether Actual Settlement has occurred, but the investments will not be available to withdraw from your Account until after Actual Settlement has occurred.
- We always act as your agent. Therefore, there may be circumstances beyond our control which mean that your transaction fails to achieve Actual Settlement. If this happens, we will use our reasonable endeavours to settle the transaction for you, but we may have to delay Contractual Settlement, close out, replace or reverse any such transaction to reflect the status of your purchase or sale. If such a settlement failure occurs we will notify you as soon as reasonably practicable to explain your options.

### 1.9.5 Incomplete Instructions And Uncompleted Trades

It is possible in certain circumstances that Trade Instructions are not completed, for example if an Asset has been suspended or because of incomplete or unclear Trade Instructions or because of insufficient Cash.

We will notify you as to whether the Trade Instruction has completed or not, unless the Trade Instruction is a Trade Instruction to regularly buy Assets, and this Trade Instruction fails because of insufficient Cash. Any Cash in the Account for the incomplete Instruction will remain as Cash.

### 1.9.6 Aggregation Of Orders

Trades will be passed to our Trusted Third-Party execution partner who will collect orders into the same Mutual Fund and same order type before passing to the Fund Manager ahead of the relevant Fund Valuation Point.

If necessary, we may delay processing a Trade Instruction due to circumstances beyond our control. In these circumstances, we will normally process the Trade Instruction on the first Business Day after the end of the period of delay.

You agree that, on instructing us to buy or sell an Asset, you are also instructing us to process that Trade Instruction in the way we believe is most efficient. Where we consider it necessary or where it is required by our Stockbroker Partner or other third party's Terms of Business, you agree to us paying Cash to such a third party before we have received title to the Assets on your behalf.

### 1.9.7 Corporate Actions

Certain types of Assets may at some point be subject to either a Voluntary Corporate Action or a Mandatory Corporate Action.

#### Voluntary Corporate Action

Where we determine that a Voluntary Corporate Action linked to your Investments has been raised, we will use reasonable endeavours to supply you with details of:

- the Assets affected;
- the options available;
- the deadline for selection;
- the default option that will be applied if we don't hear from you.

unless we consider it impractical to do so.



It will be your responsibility to confirm which option has been selected by the deadline date. If we receive your decision after the deadline, or we don't receive a decision from you at all, we will do what we consider reasonable in the circumstances.

Where we determine that the decision required for a Voluntary Corporate Action could result in the holding of an Asset which in our view is not eligible to be held on within Ready-Made Investments, we will not allow the selection of that option.

You acknowledge however that we rely on others for information of a Voluntary Corporate Action and when we send any such information to you, this is for ease of reference only. We accept no liability or responsibility for the accuracy of the information supplied to us.

There may be instances when we are not notified by the company, its registrar, CREST or our third party data provider of a Corporate Action (or are not provided with sufficient information in time by them) and as a result are unable to pass on the details to you. In such circumstances, we will not be liable to you for any loss suffered.

Where a Voluntary Corporate Action decision has an Cash implication, for example a rights issue where new shares can be purchased in proportion to existing holdings, the correct level of Cash must be in the Account at the time we process the action.

### Mandatory Corporate Actions

Where we determine that a Mandatory Corporate Action linked to your Investments has been raised there will be no opportunity for you to choose whether to participate in it. However, we will send you an email alert to inform you once the Mandatory Corporate Action has completed.

Where we determine that the decision required for a Mandatory Corporate Action could result in the holding of an Asset which in our view is not eligible to be held within Ready-Made Investments, we will not permit the selection of that option, which could result in the holding being sold and proceeds added to Cash.

Details of both Voluntary Corporate Actions and Mandatory Corporate Actions will be recorded and available to view online in your Account transaction history.

Your Investments are held in a Pooled Investment Account. This means that any shares that we receive from a Corporate Action will be allocated to your Account proportionately, based on the number of units of the relevant Investment that you hold in relation to the total number of units of that Investment held in the Pooled Investment Account. Where a Corporate Action results in a Cash rounding difference or an entitlement to part of a unit in an Asset, then we reserve the right to retain such Cash, or the part of the unit in the Asset, or to gift them to a registered charity of our choice.

### Proxy Voting

We will not forward to you copies of annual reports and accounts, scheme particulars or meeting and voting information related to any of the assets managed in your Account. In addition, we will not exercise any voting rights, or permit any voting rights to be exercised, in respect of Assets we hold for you or any other Customer.

If the terms of a Corporate Action require an election to be made on behalf of our entire Nominee holding in a company, we reserve the right not to offer an option to you, where it is reasonable not to do so. We will use reasonable endeavours to give you an alternative option but we cannot guarantee that this will match the options offered by that company.

### Class Actions

If we are notified of a class action or group litigation that is being proposed or taken concerning investments that our Nominee is holding, or has held, on your behalf, we are not required to tell you about this or otherwise act on that notification.

## 1.10 Ownership And Custody Of Assets

You will always be the beneficial owner of the Assets in your Account; in other words you ultimately own them. How we hold Assets held in Accounts are detailed below.

### 1.10.1 Assets

All Assets in the Ready-Made Investments ISA and GIA are held in accordance with the FCA Rules relating to Client Assets.

We'll act as your custodian. We will arrange for our Nominee or a Nominee of an affiliated company to hold your assets. In certain circumstances we will deposit them with a third party custodian which may in turn hold them through its sub-custodians. The arrangements for holding and registering your Investments may vary depending on the type of Investments and the country of origin.

Our standard business practice is to hold assets on your behalf in accordance with either (a) or (b) above, however where this is not possible, your Assets will be registered in the name of a third party or, if this is not possible, our name but only if:

- the Assets are subject to the law or market practice of a jurisdiction outside of the United Kingdom; and
- we consider this to be in your best interests, or
- it is not feasible to do otherwise, because of the nature of the applicable law or market practice.

Holding in any of the ways described above means that you may lose incentives and shareholder benefits attaching to the Assets. The alternative nominee or third party may be located in or outside the jurisdiction in which we provide services to you.

You consent to your Assets being registered in our name in the circumstances described above.

We have the right at any time to appoint an alternative nominee and/or custodian for your Investments. Where your Assets are held by an alternative nominee or sub-custodian we cannot ensure that you would not lose any Assets if that sub-custodian enters administration, liquidation or a similar procedure. In order to show that the Assets are not available to the entity's creditors, we will take reasonable steps to ensure that their records show that the Assets are held for you and that they do not belong to us or the alternative nominee or sub-custodian.

Our Nominee or the Nominee of an affiliated company will be the legal owner of the Investments in your Account and your Investments will be held in the name of, or to the order of, the Nominee. However, they will be held for your benefit and the Nominee will have a duty to deal with them on your behalf subject to these Terms. Subject to Regulatory Requirements, you authorise us to direct and instruct the Nominee to discharge our responsibilities under these Terms.

Our Nominee or the Nominee of an affiliated company is not an authorised person under the FSMA. Our Nominee can only hold investments and does not carry out business on its own behalf. We are responsible to you for their acts and omissions.

Share certificates or other documents evidencing title to Investments will be held by us or by our Nominee or the Nominee of an affiliated company.

Your Assets may be held with those of other clients of ours or our sub-custodians in one account, subject to Regulatory Requirements. In this case:

- we will maintain records of your interests in the Assets which have been pooled;
- your right to specific Assets may not be identifiable;
- on occasion this may lead to Assets held being used to settle trades of another client, which may result in a temporary shortfall; and
- if there is a default by us or our sub-custodians resulting in a shortfall, you might not receive your full entitlement.

Where a temporary shortfall arises and is identified we will ensure that it is resolved as soon as possible and, where required, appropriate a sufficient amount of our own money to cover the value of the identified shortfall until resolved.

In the event of our or our sub-custodians default you may have to share in the shortfall in proportion to the value of the Assets which we or the sub-custodian hold for you with other clients.

Where you wish to invest outside the UK we may hold your money with a bank or another organisation, such as an exchange, clearing house or an intermediate broker for the purpose of executing your Order outside the UK. Where your Investments are held in overseas jurisdictions, it may not be possible under national law to separately identify them from the custodian's own investments. This increases your risk.

Where it is necessary for your Investments to be held outside the European Economic Area, the law in the jurisdiction in which they are held may mean that your rights in respect of those Investments may be different. In particular if the overseas entity becomes insolvent your money may be treated differently from the position which would apply if the money was held in a client bank account in the UK and it may therefore be less secure and the FSCS would not apply.

The extent to which we will be liable for any loss that you suffer as a result of any default is set out in Section 1.17.4 of these Terms.

You are responsible for monitoring the level of your shareholdings and making the relevant disclosures when your shareholding in any company reaches/exceeds/falls below certain threshold levels in accordance with the current legislation. This applies to all your Investments whether held through our Nominee or otherwise. If we notify you that we believe you should make a disclosure in respect of your Investments in our Nominee this does not mean that we accept any responsibility to you to monitor your holdings.

We will not lend your Investments to any third party, nor will we use them as security for any borrowing.

### 1.10.2 Protecting Cash

All Cash in the Ready-Made Investments ISA and Ready-Made Investments GIA is held by us in accordance with the FCA Client Money Rules. We will always deposit your Cash with one or more banks which are authorised by the Prudential Regulatory Authority and regulated by the FCA and which are covered by the FSCS (see section 1.17.7 for more details).

We will not be legally responsible in the event of default of any Banking Partner that is holding your money in accordance with these Terms & Conditions.

However, we will use our reasonable endeavours to make available to you any rights we may have against such banks. In the event of our, a bank's or Trusted Third Party's default you may have to share in any shortfall in proportion to the value of Cash which we, the bank or Trusted Third Party hold for you with other clients.

On receipt of a Trade Instruction, we will be required to transfer your Cash to a Trusted Third Party or our Stockbroker Partner to execute the transaction, however both the Trusted Third Party and our Stockbroker Partner agree to hold your Cash in accordance with the FCA Client Money Rules or to have adequate measures in place as agreed with us to protect your Cash prior to and after the Trade Instruction has been executed.

You agree that we may use an authorised Fund Manager or commercial Settlement system who, in the course of settling a transaction (purchase or sale), may treat Cash in relation to that transaction on a 'Delivery versus Payment' (DVP) basis. You should be aware that during this DVP window (ranging from one to three business days), and Cash being paid or received by that authorised Fund Manager or passing through the commercial settlement system need not be afforded Client Money protection as defined under the FCA Client Money and Asset Rules.

### 1.10.3 Our Rights Over Your Assets And Cash

We have the right to keep your Assets or Cash until you have paid a debt that you owe us. As well as any other rights we may be entitled to under any law, we will have a general Lien over all your Assets and Cash we hold or control until you have paid off all your debts, liabilities and obligations owed to us under these Terms & Conditions.

If you owe us a debt, we may use any of your Assets or Cash that we hold or control to pay off or reduce that debt and/or to reimburse us for any costs we have incurred in recovering that debt. Section 1.13 outlines the Disinvestment Strategy we use when selling your Assets.

In the unlikely event that we mistakenly add any Assets or Cash to your Account, we may remove them from your Account. If you have withdrawn the Cash or sold the Asset and withdrawn the proceeds of sale, we will treat the Cash withdrawn as a debt and we may use any of your Cash or Assets we hold or control to pay off or reduce that debt.

We will not be liable for any tax Charges or other losses incurred by you or us as a result of us exercising our rights to sell your Assets and/or your Cash.

Any Assets or Cash held by an alternative nominee and/ or custodian appointed by us in accordance with Section 1.11.1 will be subject to a general Lien until you have paid off all of your debts, liabilities and obligations owed to both ourselves and any relevant third party.

### 1.10.4 Pooling Risk

Your Assets may be pooled with those of our other Clients. This means:

- that in the event of our, or any of our Custodians default or insolvency, if there is a shortfall which we cannot pay back, there is a risk that you may have to share proportionately in that shortfall;
- there is a risk that your options may be limited in respect of Corporate Actions; and you may receive Dividends or other distributions net of tax which has been paid or withheld at a less advantageous rate; and
- your Trade Instruction may also result in you receiving a fraction of a unit in an Asset or where your Trade Instruction has been aggregated with other Client Trade Instructions this may result in us receiving an indivisible Asset allocation or Cash amount meaning we cannot divide the relevant Asset allocation purchased or Cash received exactly between the Clients involved in the aggregated Trade Instruction. In such cases we apply a methodology based on the largest holding and timing of Trade Instructions to determinate how the Asset allocation is divided.

Where this results in a Cash rounding difference, or a fractional entitlement to part of a unit in an Asset, then we reserve the right to retain such Cash or the part of the unit in the Asset, or to gift them to a registered charity of our choice.

We hold your Cash in pooled client money bank accounts, held separately from our own money. On occasion, your cash may be held in a Transaction Account with a Trusted Third Party. Cash held may be placed in accounts with notice periods of, or on deposit for fixed terms of, up to 95 days. Placing your cash in notice or term deposit accounts does not in itself affect your ability to deal with or withdraw funds from your account. However, such amounts may not be immediately available for distribution in the event of our default or by one of the institutions with whom your money is held.

### 1.11 Charges

The Charges that we may apply to your Account will depend on:

- the type of Account(s) you have;
- the type of Assets you hold in your Account and who manages them;

You can find out more details on what you will pay in the Charges Information Document we provide you with at the outset when opening your Account or whenever a charge is added or changed.

If you hold both a Ready-Made Investments ISA and Ready-Made Investment GIA, we will take the charges from the GIA. If there is insufficient Cash in the GIA, we reserve the right to take the charges from the ISA.

### 1.11.1 Charges Made By Us

The following Charges may be made by us on your Account. These Charges may vary from time to time.

#### Account Charge

This charge is applied by us to your Accounts. fund.

### 1.11.3 Charges on Assets

The following charges may be deducted by Fund Managers – not by us. These depend on the Assets you invest in.

Managers of Mutual Funds may deduct charges from the assets you hold. These costs and charges will fall into three categories; ongoing, transaction and incidental.

- Ongoing charges are taken by Fund Managers for ongoing asset management. Examples of charges which may be deducted by Fund Managers include investment management fees, custodian fees and research costs. These charges are typically deducted from the Asset every day before the price is calculated.
- Transaction costs are incurred by Fund Managers in buying or selling the underlying Assets they hold. Examples include brokerage commissions, exchange fees and stamp duty. These costs are deducted from the Fund Assets before the price is calculated.
- Incidental costs include any performance fees that may be charged by the Fund Manager if certain performance levels are achieved within a certain time period. These costs are deducted from the Fund Assets before the price is calculated.
- These Charges and any changes to them are decided by the Fund Manager and may be increased or reduced without prior notice. All expected Charges that apply to any Assets being purchased will be shown in your Charges Information Document. Current Charges relating to any Assets you invest in, will be detailed in the Charges Information Document we send you with your regular statements.
- Fund managers may also apply a dilution levy or dilution adjustment to buy or sell transactions; they will only do this where a bid-offer spread does not apply. Fund managers will deduct any dilution levy before investing a payment or from any payment due to you and this will show on your trading confirmation; any dilution adjustments will be reflected in the asset price.

A dilution levy or adjustment may be applied by the fund manager when there are unusually high levels of buy or selling within a particular fund. It is design to protect the interests of existing investors.

## 1.12 Disinvestment Strategy

Any charges due on your account will need to be paid for from Cash. To ensure there is sufficient Cash to meet the charges, we will sell Assets automatically. All such sales will occur in accordance with our Order Execution Policy, a summary of which is provided at Appendix B of these Client Terms & Conditions. The sale of Assets is described in this section and is called a Disinvestment Strategy.

Where disinvestment is used to fund an ongoing charge to us or to enable us to proceed with an Instruction including Trade Instructions or exercise a contractual entitlement, we will sell assets proportionately across all your assets. This means that we will sell mutual fund holdings in proportion of the percentage in your portfolio.

In the event there is insufficient Cash as a result of a failed contribution upon which we relied when processing a Trade Instruction as described in section 1.7.2, or where there is insufficient Cash to complete an Instruction in respect of a Voluntary Corporate Action, we may use this Disinvestment Strategy to meet any shortfall we suffer as a result of processing the Trade Instruction or acting on the Voluntary Corporate Action Instruction.

## 1.13 Withdrawals

You can arrange either one-off or regular withdrawals from the Ready-Made Investments ISA or Ready-Made Investments GIA at any time.

Withdrawals must be a specified Cash amount, in pounds sterling and paid to a nominated UK bank or building society account.

We reserve the right to refuse the payment of a withdrawal where we suspect fraud or money laundering.

### 1.13.1 One-Off Withdrawals

You can make a one-off withdrawal from your Ready-Made Investments ISA or Ready-Made Investments GIA at any time.

Withdrawals will be paid to the nominated bank or building society account as soon as reasonably possible after all required checks and information have been received.

This will be paid electronically by one of the following methods:

- up to £250,000 will be paid by Faster Payment;
- over £250,000 will be paid by CHAPS.

If we receive an Instruction to withdraw the full value of an Account, where applicable, we will deduct all the Charges due under these Terms & Conditions up to the date of the withdrawal.

### 1.13.2 Regular Withdrawals

Regular withdrawals can be scheduled to be paid monthly, quarterly, half-yearly or yearly on any date between the 1st and the 28th of the month inclusive. If a regular withdrawal is due on a non-Business Day, you will receive it on the previous Business Day.

Regular withdrawals will be paid by the Banks Automated Clearing System (BACS)

To change the amount or frequency of a regular withdrawal, or to change a regular withdrawal Instruction, or to change the bank or building society account to which the regular withdrawal is being paid, you must stop the existing regular withdrawal and set up a new regular withdrawal Instruction.

Where you set up a regular withdrawal from an Ready-Made Investments ISA or Ready-Made Investments GIA, in addition to the requirements detailed above, we will also ask for an Income Payment Strategy (described in Section 1.14.3) to be set up to fund these withdrawals. This can be changed at any time.

## 1.14 Deceased Clients

If we receive notification of your death, we will:

- stop any regular contributions into your Account;
- stop any regular payments out from your Account;
- remove your access to view your Account online;
- continue to collect any ongoing Charges and investment Charges.

Depending on the type of Account you have with us, we will then proceed as detailed in Sections 2.6.

## 1.15 Account Closure By Us

In addition to the Account specific Terms of closure detailed in sections 2.7, and 3.2 we shall be entitled to close one or more of your Accounts for the following reasons:

- if you have not given us any documents we need to meet our regulatory or legal responsibilities;
- if you have failed to provide us with satisfactory evidence or documentation for us to complete our anti money laundering verification process;
- if we believe, acting reasonably that any information or declaration you have given to us when opening an Account or subsequently, is untrue, misleading, or incomplete in any material way, or if you fail to inform us of any information you later become aware of which makes any previous information untrue, misleading or incomplete;
- if we must under the terms of a court order;

- if you have lent, deposited as collateral or used as security one or more Assets in your Accounts or have tried to do so without our consent; or
- if you have done or failed to do something which means we are unable to comply with our legal and/or regulatory obligations.

We will let you know in writing the date on which we will be closing your Accounts. If we do decide to close your Accounts for any of the reasons above, we will treat this section as an Instruction from you to close your Accounts.

### 1.15.1 Account Closure Generally

When your Account with us is closed, we will ask you for your instructions regarding any Assets and Cash held for you and we will agree a reasonable period for you to make alternative arrangements.

After this period, we will cease to act for you and, wherever possible, we will transfer your investments into your name, invest the assets where possible and dispatch any certificates or other documents evidencing title to the last address that you have notified to us.

We will not be legally responsible for any Charges, fees, expenses, taxes or other amounts which become payable by closing your Accounts.

We may close your Account if you have no regular monthly payments set up and you have had a nil balance for more than 6 months. We will write to you to give you notice that we are about to take such action.

We may close your Account and pay any Cash balance to you, if you have no regular monthly payments set up and you have had a balance below £1,000 for more than 12 months (notwithstanding any steps taken by us to trace you as required by the Custody Rules).

### 1.15.2 Residual Payments

If we receive any residual payments relating to your Assets after the closure of your Accounts, we will make reasonable endeavours to pay these to you, less any reasonable administration expenses, via your previously chosen payment method or pass them to your next provider in line with your Instructions if possible.



If the cumulative residual payments to your Account over a period of 6 months are less than £25, we will donate this Cash to a registered charity of our choice. We will take steps to ensure that we minimise any administration fees by, for example, postponing them until we are reasonably satisfied that we have received all sums we are likely to receive, bearing in mind any external factors such as applicable statutory time limits.

## 1.16 Changes We Can Make To These Terms & Conditions

Only we can change or add to these Terms & Conditions.

We will do this for reasons that may include those set out below and upon giving you at least 30 days' written notice, where practical to do so, or such other period allowed or required by law.

The written notice shall be added to your Document Library and sent to you if appropriate and will take effect from the date stated in the notice. You will also be able to find the most recent version of these Terms & Conditions in your document library.

We may decide to change or add to these Terms & Conditions for any reason including the following:

- if required to do so to take account of changes to, or to comply with, the Applicable Law, official HMRC guidance or HMRC codes of practice, the way in which we are regulated by the FCA, or the amount of capital we need to hold;
- to allow us to introduce new or improved technology, Services or operational practices;
- to implement a recommendation, requirement or decision of any court, government body, ombudsman, regulator or similar body;
- to make the Terms & Conditions clearer or correct any errors we find;
- to reflect new or improved industry practice;
- to take account of any change to our corporate structure as a result of reorganisation of our business;
- to take account of changes to any levies or Charges we are required to pay by law or by the FCA or under the FSCS;
- where we have reasonable grounds to believe that failure to make changes could result in a material risk to us;
- to take account of any changes to, or affecting any Trusted Third Parties with whom we engage whilst providing the Services;
- to remedy operational and/or administrative errors when dealing with any Trusted Third Party

- to proportionately reflect legitimate cost increases in, or restructures of, the Services we provide.

We will always act reasonably and won't go beyond what we think is necessary to make the change

## 1.17 Other Terms

If it is found that any section within these Terms & Conditions is invalid, that invalid section will have no effect on the validity of the remaining sections in these Terms & Conditions. The remaining Terms & Conditions will continue to remain in place.

Any failure or deferral to apply or implement rights under the Terms & Conditions by us or you, does not mean that they will not be applied or enforced in the future.

Headings and sub-headings in these Terms & Conditions are for reference only.

### 1.17.1 Circumstances beyond our control

There may be, on occasion, certain extraneous circumstances that prevent us from applying the sections in these Terms & Conditions. These include but are not limited to:

- riot, civil unrest, military action, explosion or terrorism;
- fire, flood, extreme weather, earthquake, epidemic, pandemic or other natural disaster;
- malicious attack on our technology hardware and software;
- lockouts or other industrial action;
- unforeseen legislation or regulation imposed that is not the result of our misconduct;
- failure of important utilities like power, communications water or transport that lead to disruptions; or
- any other event or circumstance that we are unable, using reasonable skill and care, to avoid.

Where any extraneous event as described above occurs which was beyond our reasonable control and if you are being, have been, or are likely to be disadvantaged, we will whenever possible, let you know as soon as we can, but you agree we bear no liability to you for any loss that has occurred.

### 1.17.2 Disclosure

By accepting these Terms & Conditions you give us authority to disclose any information (when required by law or otherwise) in relation to your Accounts to the following bodies:

- HMRC or other UK government body;
- any regulatory authority, for example the FCA; or the police; or,

a regulated contractual third party

### 1.17.3 How To Complain

If you are unhappy with the way you have been treated by us, you always have the right to complain. You can write or telephone us at the address and number in the How to Contact Us section.

If you are not satisfied with our response, you can then raise the issue with:

#### **Financial Ombudsman Service Exchange Tower, London E14 9SR**

Phone: **0800 023 4567**

Email: [complaint.info@Financial-ombudsman.org.uk](mailto:complaint.info@Financial-ombudsman.org.uk)

Website: [Financial-ombudsman.org.uk](http://Financial-ombudsman.org.uk)

Referring the matter to the Ombudsman will not affect your right to take legal action later.

### 1.17.4 Liability

Except where expressly stated elsewhere in these Terms & Conditions, nothing shall exclude or limit the liability of any party for fraudulent misrepresentation, deceit or dishonesty, death or personal injury resulting from its negligence or any other liability that cannot be excluded by law.

Subject to this section, we will not be liable to you for any losses including fees, Charges, compensation, loss of opportunity and taxes caused to you by:

- our decision to delay or suspend a Trade Instruction as described in section 1.10 unless it was caused by our negligence, fraud or wilful default;
- any delay in carrying out a Trade Instruction as described in section 1.10 caused by the unavailability of our Stockbroker Partner's computer systems;
- any loss on your Assets or the money we hold that is not a direct result of our negligence or wilful default;
- our acts or omissions or those of any Banking Partners, except as a direct result of our negligence or wilful default;

- our action of enforcing any rights under these Terms & Conditions;
- any third-party failure or delay in carrying out your Instructions or Trade Instructions or for your Trade Instructions being carried out at a different price than that which we could have achieved if the Trade Instruction had been carried out at the time you expected it to be;
- any third party's failure to provide us with Cash or Assets to which you are entitled as part of a transaction;
- our inability to carry out your Instructions or Trade Instructions, or a delay in us doing so, where that failure or delay is the result of a business interruption or force majeure event that is beyond our control as described in section 1.17.1;
- our reliance on information provided by third parties where that information comes from other organisations that manage the Assets you have chosen to buy or transfer into your Account; or
- our reliance on market price data provided by third parties to carry out your Instructions which proves to be mistaken or inaccurate.

This limitation of liability is subject to us complying with these Terms & Conditions and the FCA Rules.

### 1.17.5 Law

Our relationship with you, these Terms & Conditions and the sections within it are subject to the law of England and Wales.

### 1.17.6 Ready-Made Investments Products

The Ready-Made Investments ISA and the Ready-Made Investments GIA are Products offered and operated by the Embark Investment Services Limited. Embark Investment Services Limited, is regulated by the FCA and has the necessary permissions to provide personal pension Services and manage ISA and GIA Products. All money invested into Accounts through these Products will be held by Embark Investments Services Limited in accordance with the FCA CASS Client Assets Rules.

### 1.17.7 Client Compensation

We classify you as a Retail Client under the FCA Rules. This entitles you to a level of protection in the event you need to complain or claim compensation. It also means that we commit to providing you with information in a clear and straightforward way.



In the event that any of the holders of Assets or providers of investment Services available through your Accounts cannot meet any financial obligations, you may be able to claim compensation from the FSCS. This level of compensation you receive will depend on where your money is held at the time of the claim and the FSCS rules that covers it.

If you do meet the criteria for a claim, the limits to your compensation would be as follows:

- Service Failure - In the unlikely event our system fails, you may be eligible to make a claim for compensation as a consequence of losing Investments you held in the Ready-Made Investments ISA, and/ or the Ready-Made Investments GIA for up to a maximum of £85,000 from 1 April 2019. It is however unlikely you would need to make an FSCS claim for compensation in the event of a failure because your Cash and Assets are held by appointed third party custodians on a segregated basis and in accordance with FCA Client Asset Rules. This means your Cash and Assets are always protected from such an event.
- Bank Failure - In the event a Banking Partner is unable to meet its financial obligations to you, you may be eligible to make a claim for any losses up to a maximum of £85,000.
- Asset failure - In the event of an Asset failure meaning the Asset may no longer be able to trade, you may be eligible to make a claim for any losses up to a maximum of £85,000 per Asset.

You can get more information on the FSCS on their website [fscs.org.uk](https://www.fscs.org.uk).

### 1.17.8 Anti-Money Laundering And Fraud

In order to comply with the Anti-Money Laundering Regulations 2007, we are required to verify the identity (or identities) of anyone connected to a Ready-Made Investments Account at the time an application is made. These are in place to protect us and Clients against fraud and other financial crimes. We are responsible for carrying out these checks and may request extra identification if we have any cause for concern around any transactions made on the Account.

We may pass your details to our regulator or other governmental bodies when required by law to do so under the Anti-Money Laundering Regulations 2007.

Any unauthorised transaction on your Account, whether by you or anyone you have authorised, will be your responsibility.

### 1.17.9 Taxation Law And Practice

The Terms & Conditions are based on our current understanding of HMRC taxation law and practice. These may change from time to time. If there is any change to the law or practices that means we are unable to carry out these Terms & Conditions, we reserve the right to vary them. You will be given notice of any such changes as soon as possible.

### 1.17.10 Communicating

Our contract with you is in English and all future communication about it will be in English.

Unless we decide otherwise, all communication will be made available to you via your Document Library. We will notify you each time a new communication has been made available in your Document Library by sending you an email to the email address provided to us. All communications that have been made available to you in your Document Library, will remain there for the duration you hold an Account with us.

### 1.17.11 Our Regulator

Embark Investment Services Limited, which offers Ready-Made Investments, is authorised and regulated by the FCA.

### 1.17.12 Compensating Us

You agree to compensate us for all costs, claims, demands, losses, expenses, and liabilities we suffer when acting on an Instruction or Trade Instruction given by you.

You agree to compensate us for any claim or demand made against us by any other person or organisation.

# 2

## ADDITIONAL TERMS FOR YOUR READY-MADE INVESTMENTS ISA ONLY

### 2.1 Roles And Responsibilities

Your Ready-Made Investments ISA is a stocks and shares ISA and is classed as a Flexible ISA. We will manage your Ready-Made Investments ISA in accordance with our Terms & Conditions and the ISA Regulations in force at that time. Where these Terms & Conditions conflict with the ISA Regulations, the ISA Regulations will prevail. Custody of the Assets will be held in line with Section 1.11 in accordance with which you will remain the beneficial owner.

### 2.2 Starting Your Ready-Made Investments ISA

When you apply for a Ready-Made Investments ISA you will be prompted to complete an ISA declaration.

Prior to making a payment into your Ready-Made Investments ISA in any tax year, a declaration like this will be required if you have not made a payment into your Ready-Made Investments ISA during the preceding tax year.

### 2.3 Cancellation Rights

The following Terms apply in addition to those in Section 1.5. In the event that you cancel your request to set up an Ready-Made Investments ISA, we will proceed as follows:

- if you cancel a transfer from a Cash ISA, the ISA Regulations provide we will not be able to return the transfer to the original Cash ISA manager and so you will need to provide us with an Instruction to send it to another ISA manager. If we do not receive such an Instruction, it will be sent to you.
- if you cancel the Cash Transfer from a stocks and shares ISA and the transferring ISA manager refuses to take the transfer back, we will hold the proceeds as Cash for 10 calendar days before returning it to you if no other Instructions or Trade Instructions are received.

- if you cancel your Ready-Made Investments ISA within the cancellation period, you will be treated as not having taken the ISA out and so you will be able to take out another stocks and shares ISA in the same tax year with us or a different ISA manager

### 2.4 Contributions To Your Ready-Made Investments ISA

Contributions into your Ready-Made Investments ISA must not exceed the annual ISA allowance. It is up to you to ensure this does not happen.

As the Ready-Made Investments ISA is a Flexible ISA, if you make withdrawals from your ISA in line with Section 1.14, they may be paid back in the same tax year. Withdrawals are deemed to be firstly of current year subscriptions, and secondly of previous year funds.

Any contributions made following a withdrawal will first be treated as a repayment of a previous withdrawal in the tax year, before they start to count towards your annual ISA allowance.

#### 2.4.1 Additional Permitted Subscriptions

Following the death of your spouse or civil partner you may have an additional permitted subscription allowance. You may pay subscriptions up to the value of the allowance. The allowance will usually be the higher of either their ISA holdings at the date of their death or the value on the day their ISA was closed. Any subscriptions that you pay in relation to the additional permitted subscription allowance are in addition to those that you may also pay using your annual ISA allowance.

The additional permitted subscription allowance can be used with this ISA or another ISA manager if you wish. Subject to HMRC rules, you may only transfer the allowance once to another ISA manager and any unused allowance may be lost if you then attempt to transfer this again to another ISA manager.

You may make additional permitted subscriptions in two ways:

- You may transfer your spouse or civil partner's existing ISA holdings subject to funds being available within this ISA. The transfer must be completed within 180 days of beneficial ownership passing to you;
- You may pay new subscriptions (excluding regular payments) within 3 years of the date of death, or if later, within 180 days of finalising the administration of your spouse or civil partner's estate.

#### 2.4.2 Transfers In

You may at any time instruct your existing ISA manager to transfer all or part of your ISA with them to us, in line with the ISA Regulations. This may be as a Cash Transfer or, where possible, by re-registration of Assets.

## 2.5 Withdrawals

You will be able to provide an Instruction for a single withdrawal of all or part of the value of your Ready-Made Investments ISA and have the proceeds paid to you or transferred to another ISA manager.

You will place Trade Instructions with us to sell the relevant Assets (in accordance with Section 1.10.3) and then we will pay the proceeds at the earliest practicable time

### 2.5.1 Transferring To Another ISA Manager

You can transfer all or part of a previous tax year's contributions to another ISA manager. Any contributions paid in the current tax year must be transferred in full.

If you have made any withdrawals in the current tax year and your intention is to transfer your Ready-Made Investments ISA to another ISA manager, you may wish to consider repaying some or all of the withdrawals in accordance with the ISA Regulations. Once the ISA has been transferred to another ISA manager you will be unable to replace the withdrawals.

## 2.6 Deceased Clients

When we are notified of your death, your Ready-Made Investments ISA will be designated as a Continuing ISA which will retain the tax benefits of an Ready-Made Investments ISA until the earlier of:

- closure of the Account;
- the completion of the administration of your estate resulting in your Account being closed; or
- three years from the date of your death;

In the event your Continuing ISA has not been closed prior to the expiry of the three-year period from the date of your death, we will start the process of moving all Investments

from your Continuing ISA to an Ready-Made Investments General Investment Account (GIA).

The movement of investments from your Continuing ISA to a Ready-Made Investments GIA will not incur any Charges from us.

Investments will remain unchanged but will remain subject to market movement until we receive the required documentation from the beneficiaries (or their personal representatives) that allows us to distribute any proceeds from the Continuing ISA or the Ready-Made Investments GIA.

## 2.7 Closing Your Ready-Made Investments ISA

Your Ready-Made Investments ISA will be closed when:

- the full value has been withdrawn;
- there is a material breach in the Terms & Conditions;
- the Account is deemed to be void under the ISA Regulations; or
- we are no longer an authorised ISA manager.

If we receive notification from HMRC to either repair or void your Ready-Made Investments ISA, we will notify you as soon as practicable. HMRC will inform us of any action to take and we will carry it out.

If your Ready-Made Investments ISA becomes void, we will transfer your investments into an Ready-Made Investments GIA, thereby removing the beneficial tax status of the Account.

We may deduct proceeds to cover any tax liability incurred in voiding or repairing your Ready-Made Investments ISA and may request additional information to confirm your circumstances.

Because the Investment will no longer be held in the Ready-Made Investments ISA, you may be liable for tax on future distribution payments from Assets that are consequently held in an Ready-Made Investments GIA.

# 3

## **ADDITIONAL TERMS FOR YOUR READY-MADE INVESTMENTS GIA ONLY**

### **3.1 Instructions**

Any sale of Assets may need to be assessed against income and capital gains tax via your self-assessment return.

Please consider whether any tax consequences arise after any Asset sales made from within your Ready-Made Investments GIA.

### **3.2 Closing Your GIA**

Your Ready-Made Investments GIA will be closed when:

- the full value has been withdrawn; or
- there is a material breach in the Terms & Conditions.

# 4

## ADDITIONAL TERMS FOR INVEST+ CUSTOMERS

### 4.1 What is Invest+?

Invest+ is a digital advice journey offered by Bank of Scotland that provides a one-off, personalised recommendation to customers to place their investible cash into a Ready-Made Investment account and specific Asset, based on their investment experience, finances, attitude to risk and affordability.

### 4.2 Invest+ Roles and Responsibilities

You acknowledge that, where applicable, Bank of Scotland provides the Invest+ service to you and that you'll have entered a separate agreement with them for that digital advice service, covering your and their rights and responsibilities to each other.

### 4.3 Our Roles and Responsibilities

In addition to 1.2.1, we will:

- pay the Advice Fee that you have agreed may be deducted from your Account;

### 4.4 Investment

Invest+ will help you choose the Assets to invest your initial contributions in, from the Investments available within Ready-Made Investments.

Each regular contribution will continue to be invested in that asset unless you select an alternative investment from those available within Ready-Made Investments.

### 4.5 Advice Fee

In addition to the Charges outlined in 1.11, you will also pay the Advice Fee you agreed with Bank of Scotland for the Invest+ service.

The Advice Fee is a one-off fee charged by Bank of Scotland for the advice and/or Services they provide you.

We offer a facility to pay the Invest+ fee from your Account.

We will not require written confirmation from you to action this instruction.

Any Advice Fee due on your account will need to be paid for from Cash. To ensure there is sufficient Cash to meet the charge, we will sell Assets automatically in line with our Disinvestment Strategy (see 1.12).

Where you have elected to have your ISA charges deducted from your Investment Account this will also apply to the Advice Fee.

### 4.6 Cancellation Rights

As defined in 1.5.1 If you exercise your right to cancel an Account during the 30-day cancellation period, what you get back will depend on the type of payment we receive:

- For a regular payment, we will repay the payment we received at the start of the Account.
- For a cash transfer or one-off payment, we will return the payment, less any fall in the value of the assets purchased with that payment.

You will still have to pay any Advice Fee which we have not deducted.

# 5

## OTHER TERMS

### 5.1 Our Data Protection Policy

We are authorised under Data Protection Legislation to maintain, process and store your personal information. We will use this information to set up and administer your Accounts and for legitimate business reasons (including, but not limited to, the provision of information to a Group Company, contracted Third Parties, and Trusted Third Party Service providers including, Fund Managers, in the event that they reasonably request such information from us.

We may also be required to share information with other companies or organisations, governmental bodies or regulatory bodies (including those outside the EEA) if required to do so by Applicable Law so they can process it. The processing of any information by us pursuant to this Section 7.1 shall be conducted in compliance with Data Protection Legislation and our Privacy Notice, a copy of which can be obtained by clicking on the 'How Embark use your information and your data privacy rights' link at the bottom of each page in your online account.

We will otherwise keep your personal information confidential.

You always have certain rights around the processing of your data which include:

- your right to request a copy of the information we hold about you (in some circumstances, we may charge you for this);
- making sure any request to amend incorrect data about you is processed;
- blocking the use of data that may cause damage or distress to you; and

claiming compensation for our failure to comply with the Terms of the Act.

You can obtain any further information about how we collect and process your data as well as other information under Data Protection Legislation by using the contact details below:

**The Data Protection Manager**  
**PO Box 24065**  
**1 Tanfield**  
**Edinburgh**  
**EH3 1EY**

By telephone: **0330 123 5521**

Information Commissioner's Office

The office of the Information Commissioner is the government appointed office with responsibility for data protection. They can assist with any complaints or questions you may have. They can be contacted on **0303 1231113** or online at [ico.org.uk](https://ico.org.uk).

### 5.2 International Tax Compliance

You understand and agree that where you have declared to us, to being tax resident in any non-UK country, or where based on information you have provided to us, or where based on publicly available information, we have assessed you to be tax resident in any non-UK country, that for each calendar year you hold a reportable Account with us (currently just the Ready-Made Investments GIA is a reportable Account), certain personal and Financial information relating to your Ready-Made Investments GIA will be reported by us to HMRC the following year in accordance with the International Tax Compliance Regulations 2015, and may be transferred by HMRC to the government of another territory, in accordance with the relevant agreement in place between the UK and the authorities of that other territory.

In addition, we reserve the right to place restrictions on your Account to limit further contributions, investment execution and any activity as we see fit.

### 5.3 Remedies And Waivers

If you or we breach any of these Terms & Conditions, the appropriate remedy can be taken at any time in the future. No breach by any party will be excused or discharged except with the express written consent of the other.

If you or we fail to use, or delay in using, any right under these Terms & Conditions, it will not affect any other rights under these Terms & Conditions or the use of the same rights in the future.

### 5.4 Unenforceability

If any section of these Terms & Conditions, is held by a court or other competent authority to be invalid, illegal, or unenforceable, that section, (or any relevant part of it) shall be treated as deleted to the extent required and

the validity and enforceability of the other sections of the Terms & Conditions (or remaining part of the particular section) shall not be affected.

If any section is found to be invalid, illegal or unenforceable you and we will consult to agree an alternative section which achieves a similar result.

### 5.5 Third Party Rights

These Terms & Conditions apply exclusively to you and us and no third party may rely on or enforce any of the Terms contained herein. A person who is not a party to these Terms & Conditions shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the Terms contained herein.

### 5.6 Our Order Execution Policy

We will take all reasonable steps to get the best possible results when buying and selling Assets for you. Full details of our Order Execution Policy can be found on our Embark Platform website. To execute orders on your behalf, you consent to our Order Execution Policy when you receive your Confirmation Schedule. Please note the Order Execution Policy may change at any time without notice, however we shall ensure an updated version is available on our Embark Platform website.

A summary of our Order Execution Policy can be found in Annex B of these Terms & Conditions.

### 5.7 Conflict Of Interests Policy

We have set up a Policy to deal with any conflict of interest which might arise. This Policy sets out how we identify and manage these conflicts and we will provide you with a copy on request.

### 5.8 How To Contact Us

If you have any questions about Ready-Made Investments or Ready-Made Investments GIA you should contact us using any of the methods below:

By mail:

**Ready-Made Investments**  
**Lovell Park Road**  
**Leeds**  
**LS1 1NS**

By telephone: **0330 123 5521**

Available Monday to Friday 9am to 5pm. Calls may be recorded for training purposes.



# A

## APPENDIX A

### Glossary

#### Account

A specific account set up by you to hold a Product on the Embark Platform.

#### Actual Settlement

Means the date on which the buyer and the seller of an Asset deliver cash proceeds in exchange for the Asset. Actual Settlement can take place after Contractual Settlement for a number of reasons, including where the seller of the Asset fails to deliver that Asset to the buyer.

#### Advice Fee

The Advice Fee is a one-off fee charged by Invest+ for the advice and/or Services they provide their customers.

#### Aggregation of Orders

A common method of executing trading orders at one time by placing orders in batches at time periods set by us across the Business Day.

#### Applicable Laws

Any law or regulation in force or applicable to the UK or European Union including any Court Order, that is relevant in the context of the subject or topic being discussed.

#### Assets

Means Mutual Funds.

#### "At best" Basis

The ability to buy Assets at the best price currently available in the market.

#### BACS

Payment Schemes Limited (BACS), formerly known as Bankers' Automated Clearing Services, is the organisation with responsibility for the schemes behind the clearing and settlement of UK automated payment methods.

#### Business Day

A day in which (UK) Financial markets are open for trading.

#### Cash

Means Cash held within your Account, and the pot we will deduct charges from.

#### Cash Transfer

The process of moving money to or from an Embark Platform Account as a Cash value and not a movement of Assets.

#### Charges

Means Platform Charges, and any other applicable Charges that may be incurred from time to time.

#### Charges Information Document

Means the document which can be found in your Document Library and which details the Charges applied to your Account agreed between you and us, as may be amended from time to time.

#### Customer

Means you as the holder of an Account.

## Client Money Rules

Means CASS 7 rules which form part of the FCA Rules.

## Confirmation Schedule

Means the schedule we send you which contains your Account information, which confirms we have accepted the application to open an Account with us.

## Continuing ISA Account

Is the designation given to an ISA Account held by a Client after that Client's death.

## Contractual Settlement

Means the expected date on which the buyer and the seller of an Asset agree to deliver cash in exchange for the Asset.

## Corporate Action

Means any event that affects the share capital, or unit capital, or holding structure of Investments and will be either a Voluntary Corporate Action or a Mandatory Corporate Action as determined by us.

## CREST Account

The account we hold on CREST in the name of Embark Investment Services Nominee Limited.

## Custodian

Means custodial financial institution regulated by the FCA or comparable regulatory authority that holds customer Assets and Cash for safekeeping to minimise the risk of their loss to you. This can be in either electronic or physical form.

## Custody Rules

Means CASS 6 and CASS 7 rules which form part of the FCA Rules.

## Data Protection Legislation

Means the Data Protection Act 2018 as amended, the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679), and any code of practice or guidance published by the UK Information Commissioner's Office.

## Disinvestment Strategy

These are the rules and processes that are put in place by us that allow us to raise Cash in accordance with section 1.13.

## Dividend

A distribution of profits made by a company to its shareholders, usually half-yearly.

## Document Library

A secure area in your online Account where you can access certain documents and communications, we may send to you.

## Faster Payment

A UK banking initiative to reduce payment times between different bank customer accounts to typically a few hours.

## FCA or Financial Conduct Authority

The FCA is responsible for regulating the standards of conduct in retail and wholesale financial markets, and for supervising the infrastructure that supports those markets in the UK.

## FCA Rules

Mean the rules contained in the FCA Handbook published by the FCA which sets out the rules and guidance pursuant to which FCA regulated business must adhere.

## Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme is an independent body, established under the Financial Services and Markets Act 2000 as the UK's statutory compensation fund of last resort, for customers of Financial Services Firms authorised by the FCA.

## Fund Manager

The management company that creates and manages Mutual Funds.

## Identity Verification Check

Is a system used by us to verify the identity of Clients.

## Instructions

Means all Instructions received from you, relating to an Account that are not Trade Instructions.

## Investment

Means an Asset or Cash held or to be held in your Account.

## Investor Number

Means the Client identification number that is issued by us and stated on the Confirmation Schedule and which is specific to you.

## ISA Regulations

Means the HMRC published Guidance Notes for ISA Managers Guidance and supporting legislation as may be updated from time to time that apply to both ISA and JISA Products.

## Key Features Document

A Key Features Document is a document which financial companies are obliged to provide you when you buy certain regulated products such as an Ready-Made Investments ISA or Ready-Made Investments GIA. It sets out the risks and benefits to you of purchasing or investing in the Product as well as important information on how it works.

## Lien

A right to keep possession of Assets belonging to the Client until any Charges or other amounts owing by the Client have been paid.

## Mandatory Corporate Action

Has the meaning described in section 1.10.6.

## Mid-Price Basis

The average price between the best offer price of the sellers of the Asset and the best bid price of the buyers of the Asset based on information provided to us by trusted Third Parties.

## Mutual Funds

Has the meaning described in clause 1.9.

## Online Services

The Services we provide you with the ability to view Account information securely online, such as current values, Asset holdings and personal details.

## Pooled Account

A bank account in which Cash deposits for all Ready-Made Investments Account holders are received and held as part of a 'pool'.

## Power of Attorney

Means a written document, acceptable to us, which grants a person the legal authority to act for another person in specified or all legal or financial matters.

## Product

Means one of the Ready-Made Investments ISA and Ready-Made Investments GIA.

## Retail Client

A person receiving regulated Services and who is not a Professional Client or Eligible Counterparty determined in accordance with COBS 3 of the FCA Rules.

## Settlement

Means the point at which an Asset is delivered to the buyer by the seller, and the buyer delivers the purchase value to the seller. This can happen in one of two ways: (a) Actual Settlement; or (b) Contractual Settlement.

## Services

Means the services provided by us.

## Terms & Conditions

Has the meaning given in section 1.1.

## Terms of Use

The rules that apply to your use of our technology and/ or Services and that form an integral part of our online Service and our Terms & Conditions with us.

## Trade Instruction

Means an Instruction received from you, to buy or sell Investments relating to an Account.

## Trading Terms

The rules a Fund Manager applies to Mutual Funds or the rules applied by a relevant stock exchange.

## Trusted Third Party

A third party we have entered into an agreement with (which, if applicable, complies with FCA outsourcing rules) for the provision of Services or information from that third party to us or us to that third party or to customers either together or individually.

## Voluntary Corporate Action

An event initiated by the board of directors of a company or manager of a fund that affects all shareholders or unitholders and requires an action by those shareholders or unitholders to be taken, and where we have decided to notify you of such an event.

# B

## APPENDIX B

### Choosing A Venue And Executing Orders

The factors we consider when deciding on the execution venue include:

- general prices available;
- depth of liquidity;
- conditions in the market;

### Order Execution Policy Summary

This Order Execution Policy applies to all Trade Instructions we receive from you and carry out on your behalf.

Order Execution Considerations:

We will use the price available as the primary measure for achieving best execution in respect of a Trade Instruction. Other factors include:

- our ability to Trade on the venue using automated execution technology;
- the nature of the stock and its liquidity;
- speed of completion;
- the likelihood of successfully carrying out your Instruction; and
- costs incurred to you from trading on the venue.

In deciding on how much importance we should attach to the factors mentioned above we also have to consider:

- the fact you are a retail customer for the purposes of the FCA Client categorisation rules;
- the size of the order, its impact on the market; and
- the characteristics of the Assets to which your Instruction relates.

We will use our own commercial experience and judgement in determining the relative importance of these factors, and in general, we will regard price as the most important of these factors for obtaining the best possible result. However, we recognise that there may from time to time be circumstances for some customers, particular instruments, or markets where other factors may be deemed to have higher priority.

- speed of carrying out Instructions;
- cost of carrying out Instructions;
- the credit worthiness of the counter parties on the venue or the central counterparty; and
- quality and cost of clearing and settlement.

*Note:* In some markets our choice of venue may be limited because of the nature of our Instruction.

## Venues For Particular Investments

We have set out below our current venues, which we most regularly use to carry out your Trade Instructions and which we believe provide the best prospects for getting you the best deal.

For Mutual Funds for example collective investment schemes (for example unit trusts or open-ended investment companies), we engage a Trusted Third-Party provider who deals directly with the Fund Manager.

For ETIs for example shares (with the exception of venture capital trusts) fixed income securities, and exchange Traded commodities (if they can be held on CREST/ Euroclear) we will use a number of venues that we believe best allow us to meet our responsibilities under our Order Execution Policy.

We currently (but not exclusively) use Winterflood Securities Limited. When we carry out your Trade Instruction using Winterflood Securities Limited or another market maker, we buy or sell Investments from or to them, rather than using a regulated market or a multilateral trading system. We may also send your orders to a reputable Stockbroker Partner.

Finally, in choosing a venue we will also consider whether the ETIs can be held within CREST. If the Investment cannot be held in CREST, we will not proceed with the Trade Instruction.

## Monitoring And Reviewing The Policy

On an annual basis we will monitor the effectiveness of our order execution arrangements and the Order Execution Policy.

In the event we receive specific Trade Instructions to buy or sell investments in a particular way or at a particular price, then this Order Execution Policy does not apply to such Trade Instructions.

We will let you know about any significant changes to our execution arrangements or the Order Execution Policy.

Ready-Made Investment is provided by Embark Investment Services Limited, a wholly owned subsidiary of Embark Group Limited. Embark Investment Services Limited is incorporated in England and Wales (company number 09955930) with its registered Office at 100 Cannon Street, London, EC4N 6EU. Embark Investment Services Limited is authorised and regulated by the Financial Conduct Authority (Reg No 737356).

RMI T&Cs (10/23)