

# HSBC Flexible Retirement Account

Terms and Conditions

**Effective from 1 September 2022**



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# 1. Glossary of defined terms

Unless the context otherwise requires, the words and phrases below shall have the following meanings:

**Application** means a completed and signed form applying for a HSBC Flexible Retirement Account.

**Authorised Representative** means any manager, adviser or other person you have appointed from time to time and notified us in writing as having been authorised to act on your behalf in giving Instructions to us, communicating with us and carrying out any other acts, discretions or duties under your HSBC Flexible Retirement Account.

**Beneficiary** means a person eligible under the Rules to receive a lump sum or pension on your death.

**Business Day** means any day except Saturday and Sunday or a day which is a public holiday in England.

**Capped Drawdown** means drawing amounts as income from your Individual Fund, whilst keeping the Individual Fund invested. The amounts you can take as “income” are subject to maximum limits set by the Finance Act 2004 and are reviewed regularly.

**Cash Account** means: (i) if we hold Client Money within the trust, a composite bank account in our name with HSBC UK Bank plc and/or such other bank(s) as we decide. Details of the Cash Account are set out in Schedule 2; and (ii) if we hold cash as banker, that bank account opened by us as

Operator and banker and not as a trustee under the FCA Client Money Rules.

**Client Money** means money we hold in our name, on your behalf, in relation to the HSBC Flexible Retirement Account. Such money is identified as client money and is segregated from our money and held on trust for you in accordance with the Rules. Interest is payable on money held as client money in accordance with Clause 11.5.

**Connected Person** means a natural person or legal entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include, but is not limited to, any person who is, or may be, entitled to receive a payment under this policy, a director or officer of a company, partners or members of a partnership, any Controlling Person, or beneficial owner or trustee of a trust, your representative, agent or nominee, or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group. Please see Schedule 3 for further associated definitions.

**Customer Information** means any Personal Data, confidential information, and/or tax information relating to you or a Connected Person.

**Flexi-Access Drawdown** means drawing amounts as income from your Individual Fund, whilst keeping the Individual Fund invested, with no limit on the amount that can be withdrawn (until the fund is exhausted).

**FCA** means the Financial Conduct Authority or any successor regulator which may regulate the provision of the Services.

**FSCS** means the Financial Services Compensation Scheme.

**HSBC Flexible Retirement Account** means the agreement between you and us denoted by the Membership Number and consisting of the Application, these Terms and Conditions, the Welcome Letter the Key Features document, and any other documents signed by you and us from time to time which state that they form part of the agreement.

**HSBC Group** means collectively and individually, HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices, and any member of the HSBC Group has the same meaning.

**Individual Fund** means the investments and money attributable to each HSBC Flexible Retirement Account having regard to:

- transfer-in payments received in respect of the account;
- (for a Member) contributions received for the account;
- (for a Survivor) amounts allocated under Clause 15 (Death Benefits) to provide the Survivor with Flexi-Access Drawdown under the account;
- benefit and transfer-out payments made from the account;
- charges, fees and expenses deductible under the account;
- investment income, gains or losses.

**Instructions** mean directions which you or your Authorised Representative provide to

us concerning the Application, your HSBC Flexible Retirement Account, or any other instructions in relation to the Services we may provide. Clause 18 sets out how such instructions must be given.

**Key Features document** means the document titled Key Features of The HSBC Flexible Retirement Account together with any amendments to it.

**Member** means an individual whose Application for membership of the Scheme we have accepted under Clause 2.2 (Introduction).

**Membership Number** means the number shown as the “Membership No” in the Welcome Letter.

**Operator** shall have the same meaning as in the Rules. This is HSBC Trust Company (UK) Limited or any replacement Operator appointed under the Rules from time to time.

**PRA** means the Prudential Regulation Authority or any successor regulator which may regulate the provision of Services.

**Provider** means any one of the entities which offer an investment plan to hold a selection of portfolios or discretionary managed funds.

**Qualifying Recognised Overseas Pension Scheme** means an overseas pension scheme that satisfies certain HMRC requirements so that it can accept transfers from UK registered pension schemes.

**Regulated Financial Adviser** means a person or firm appointed by you to provide financial advice who is duly authorised by the Financial Conduct Authority.

**Rules** means the deed and rules that established the Scheme as amended from time to time.

**Scheme** means the Self-Invested Personal Pension, which is a pension scheme registered under Part 4 of the Act established by declaration of trust on 15 October 1998 with pension scheme tax reference 00605744RA.

**Services** means the services set out in Schedule 1.

**Survivor** means an individual Beneficiary whose Application for Flexi-access Drawdown we have accepted under Clause 15.2 (Death Benefits).

**Terms and Conditions** means the terms and conditions set out in this document, together with any amendments to them.

### **Uncrystallised Pension Fund Lump Sum**

**Sum** means drawing a lump sum payment from your Individual Account, either to fully exhaust the Individual Fund or to withdraw part of the Individual Fund, with a sum remaining in your Individual Account.

**Us, our or we** means the Operator.

**Welcome Letter** means the letter that we send to each individual who has applied for an HSBC Flexible Retirement Account confirming that the account has been set up and identifying the unique membership number for the account.

**You or your** refer to the individual to whom we sent the Welcome Letter and who is a Member or Survivor.

## 2. Introduction

**2.1** Your HSBC Flexible Retirement Account is a legal agreement between you and us. This document sets out the terms and conditions on which we operate your HSBC Flexible Retirement Account under the Scheme.

**2.2** Your HSBC Flexible Retirement Account will commence on the date we accept your signed and completed Application from you or your Authorised Representative. Our acceptance of your Application is dependent on the satisfactory completion of any money laundering and other checks we must reasonably carry out.

**2.3** Please ensure that you read your Application and these Terms and Conditions and Key Features document carefully, and check that the details on the Application form are complete and accurate, before you sign and submit it. If you think that there is a mistake or require any changes, please contact us to discuss.

**2.4** The HSBC Flexible Retirement Account is provided under the Scheme which is a registered pension scheme established by trust and is governed by a set of scheme rules. The HSBC Flexible Retirement Account is subject to the Rules, a copy of which can be provided on request. It might be necessary to change the Rules to take reasonable account of any changes to law or regulation affecting the Scheme or for any other reason the rules or law permit. We provide notice to you of any significant changes if required by law.

**2.5** If there are any inconsistencies between these Terms and Conditions and the Rules, the Rules will take priority.

**2.6** We treat you as a retail client, which means you benefit from the highest level of regulatory protection.

## 3. Eligibility

**3.1** You are eligible as a Member if you are a UK resident and aged 16 years or older and liable to pay National Insurance contributions on UK relevant earnings. You must also have a HSBC UK personal bank account from which contributions to your HSBC Flexible Retirement Account must be paid and into which benefits must be received.

**3.2** As a Survivor your eligibility for an HSBC Flexible Retirement Account is determined in accordance with Clause 15.2 (Death Benefits) and HMRC requirements for the payment of Drawdown benefits to a Survivor.

**3.3** Your eligibility is based on the information disclosed in your Application. By submitting your Application to us, you have agreed to establish your HSBC Flexible Retirement Account and to become a Member of the Scheme or a Survivor (as applicable).

## 4. Provision of the Services

### **Our role**

**4.1** We are the operator of the Scheme. We are authorised by the Prudential Regulation Authority and regulated by

the Financial Conduct Authority and the Prudential Regulation Authority in the provision of the Services.

**4.2** We are the trustee of the Scheme. This means we hold the Scheme assets on trust for the benefit of you and all the other Members. We will arrange to keep the assets held under your HSBC Flexible Retirement Account separate from our own assets. Your investments may be registered collectively with those of our other members and survivors but are separately identifiable on our administration systems. Please contact us if you have any questions about the way in which we hold your assets.

### **Our services**

**4.3** We will provide the Services as set out in Schedule 1.

## 5. Your Authorised Representative

**5.1** We are not responsible for giving and shall not be deemed to have given any legal, financial, investment, tax or any other advice in connection with your HSBC Flexible Retirement Account or any underlying investments or decisions associated with it. If you appoint an Authorised Representative, we can act on Instructions from you or that Authorised Representative. We will continue to act on Instructions from you or your Authorised Representative until you inform us that the relationship has ended.

## 6. Cancellation

**6.1** As a Member, when we accept your Application, we will send you a cancellation form. If you wish to cancel your HSBC Flexible Retirement Account, you have 30 days from the date you receive the cancellation form. To confirm your wish to cancel, you must inform us in writing by completing and returning the cancellation form to us.

**6.2** If you cancel your HSBC Flexible Retirement Account and a contribution has been made within the first 30 days you will receive back the initial amount invested unless the value of the underlying investment has fallen, in which case the lower amount will be paid back.

**6.3** You are not entitled to a further cancellation period in respect of additional contributions made to your HSBC Flexible Retirement Account after the first 30 days following its establishment.

### **Cancellation after a transfer**

**6.4** As a Member, if you make a transfer payment to your HSBC Flexible Retirement Account from a money purchase occupational scheme or a personal pension scheme you will receive a 30-day cancellation period for the transfer. If you decide to cancel the transfer, the value of the initial amount invested will be returned to the transferring scheme unless the value of the underlying investment has fallen before we receive your completed cancellation notice, in which case the lower amount will be paid back. On receipt of

the cancellation notice any investments made will be sold and the proceeds held in the Cash account until paid out. If the transferring scheme refuses to accept the returned transfer payment, you must select an alternative pension plan to which the transfer payment can be paid. We do not accept transfers into an HSBC Flexible Retirement Account from defined benefit pension schemes.

### **Cancellation after Drawdown**

**6.5** If you decide to cancel in accordance with Clause 6.1 and you have taken retirement benefits (excluding small pots or Uncrystallised Pension Fund Lump Sum) from your HSBC Flexible Retirement Account you must return these to us before the expiry of the 30-day cancellation notice period.

**6.6** As a Member, you may change your mind once you have made an election to receive retirement benefits by way of Drawdown pension. You have 30 days from receipt of your cancellation notice in which to notify us and to return all of the benefits that have been paid. If you do not return all your tax free lump sum and any Drawdown Pension, these payments will be treated as unauthorised payments by HMRC, who will impose a tax charge on you. We will deduct any tax charges owing to HMRC as a result of the unauthorised payment being made from your Individual Fund. If the value of your Individual Fund does not cover the amount of the tax charge, you personally are responsible for paying any further amounts of tax or interest charges or both due to HMRC.



## 7. Contributions

### Paying contributions

**7.1** There are minimum and maximum contribution limits detailed in the Key Features document which may change from time to time. If you are a member we will notify you each year if these have changed.

**7.2** If you are a Member you can pay regular contributions monthly or annually or pay single contributions. We will accept contributions paid on your behalf by an employer and/or by a third party. However, before we can accept contributions paid by another person (including your employer) we must receive satisfactory evidence of the identity and address of that third party. No member or contributions by another person (except employers) may be made once you are age 75. No contributions can be paid if you have not been resident in the UK or a crown dependent for five years. We can also stop the application of any contributions to your HSBC Flexible Retirement Account if we consider it necessary as part of our Financial Crime Risk Management Activities (see Schedule 3 for further details).

**7.3** All regular payments will be collected by Direct Debit each month on your preferred collection date (which must be either the 3rd or 22nd of each month). Where the preferred collection date is not a Business Day collection will be made on the next Business Day. Contributions paid by Direct Debit, may be subject to a delay by up to five days between the date on which the payment leaves the payer's account and it reaching the Cash Account. Single

contributions can be paid by electronic transfer, and you must notify us in advance of each single contribution being paid.

**7.4** You may change your contribution levels (subject to them not exceeding the minimum or maximum limits), or stop or start them. If you want to do this, we must receive written notice at least 10 Business Days prior to the change taking place. If you notify us of any changes with less than 10 Business Days' notice before the next collection date, these changes will not apply until the following collection date.

**7.5** Contributions cannot be paid into your HSBC Flexible Retirement Account if you are a Survivor.

### Tax relief

**7.6** Contributions must be paid in cash.

**7.7** We will apply to HM Revenue and Customs (HMRC) each month for the tax relief due on all personal and third party contributions paid. We will only apply for tax relief on contributions made by you or by a third party on your behalf at the basic rate of income tax applicable to you and notified to us by HMRC. We will only apply the tax relief to your HSBC Flexible Retirement Account once we have received it from HMRC, this usually takes up to 12 weeks. Additional tax relief may also be available if you pay income tax at a higher rate than the basic rate tax relief we have applied for on your behalf, for example if you are a higher rate or additional rate taxpayer which you can claim through a self-assessment tax return or from HMRC directly.

We rely on information provided by HMRC in respect of your status as an English, Scottish, Welsh or Northern Irish taxpayer. If we make a mistake in recording your status in our records, we will inform you and HMRC about this and HMRC will correct your tax position through changes to your tax code or via self-assessment.

**7.8** All employer contributions are payable gross to your HSBC Flexible Retirement Account.

**7.9** You will not qualify for tax relief on any contributions paid above the higher of 100% of your relevant UK earnings (for example salary, wages or bonus) or £3,600. Any employer contributions do not count towards this tax relief limit.

**7.10** We reserve the right to refuse to accept further contributions (including regular contributions) into your HSBC Flexible Retirement Account from any of you, a third party who is paying contributions on your behalf, or your employer (as applicable), or any withdrawal or transfer payment, or to close your HSBC Flexible Retirement Account, where you, the third party or your employer, as appropriate, are listed on any sanctions lists compiled by Her Majesty's Treasury, and/or the Office of Foreign Assets Control and each of their successors, or any other similar sanctions list or are not resident in the UK.

**7.11** In addition there is a maximum amount of pension savings you can accrue each year under UK tax-approved pension schemes without incurring a tax charge. This maximum is called the annual allowance. You may be able to

carry forward unused annual allowance from the previous three tax years provided that you were a member of a registered pension scheme during that time. The full amount paid must be within your relevant UK earnings for the tax year in which the payment is made.

**7.12** You will be subject to a tax charge if the following exceed the annual allowance in any tax year:

- the total contributions made by you or anyone else to your money purchase arrangements (your HSBC Flexible Retirement Account is a money purchase arrangement); and
- the increase in the value of any defined benefit pension scheme benefits you have is above the annual allowance.

The tax charge will be made on the amount by which the contributions and increase in value exceed the annual allowance.

**7.13** If you are currently or have been since 6th April 2015 in receipt of any flexibly accessed benefits from your HSBC Flexible Retirement Account or another money purchase arrangement, the 'money purchase annual allowance' rules will apply to you. This means that if you pay in more than the money purchase annual allowance to your money purchase pension arrangements, you will be subject to a tax charge which you will have to pay personally on any amount you pay over the money purchase annual allowance and your annual allowance for any defined benefit pension savings is reduced by the amount of the money purchase annual allowance in that tax year.

**7.14** If the money purchase annual allowance applies to you, you must tell the administrators of your money purchase (or similar) pension schemes that you have flexibly accessed your pension and, as a result that you are subject to the money purchase annual allowance. If you flexibly access pension benefits in another money purchase pension scheme you must tell us within 91 days of receiving a statement confirming this from the scheme administrator of that pension scheme. If you flexibly access pension benefits in your HSBC Flexible Retirement Account (and you have not previously told us that you have already flexibly accessed pension benefits) you will receive a statement from us regarding this. You should tell the administrator of your other pension schemes within 91 days of receiving this statement or within 91 days of becoming an active member of that scheme, whichever is later. Failure to tell the administrators of your other pension scheme(s) that the money purchase annual allowance applies to you could result in you being fined by HMRC.

**7.15** In addition, with effect from 6 April 2020, if you have 'adjusted income' (including the value of any pension contributions) of over £240,000 per annum, and a threshold income of over £200,000, your annual allowance will be reduced by £1 for every £2 of income above £240,000, subject to a minimum reduced annual allowance of £4,000.

**7.16** Your pension input period (the period over which the amount of your pension saving is measured, and which is used to calculate whether the annual allowance is exceeded) will start on the date you start

your HSBC Flexible Retirement Account and will end on the following 5 April. Subsequent periods will then run from each 6 April to the following 5 April.

## 8. Transfers

### Transfers to your HSBC Flexible Retirement Account

**8.1** You can transfer other pension funds to your HSBC Flexible Retirement Account if you have received a personal recommendation from a regulated financial adviser or HSBC Retirement Advice Centre of Excellence that the transfer is suitable for your personal circumstances. On receipt of a signed declaration requesting a transfer, either as part of your HSBC Flexible Retirement Account Application or submitted separately, we will make contact with the transferring scheme to arrange payment.

**8.2** Transfers must be from a registered pension scheme or a recognised overseas pension scheme, and must be paid to us in cash. We will notify you on receipt of the monies from the transferring scheme.

You may need to provide us with further information to enable us to make a decision.

**8.3** We will only accept a transfer of safeguarded rights if you have received advice from the HSBC Retirement Advice Centre of Excellence that the transfer is suitable for your personal circumstances. We will not accept a transfer if your financial adviser has advised you that a transfer would not be suitable for your personal circumstances.

**8.4** We do not accept transfers into an HSBC Flexible Retirement Account from defined benefit pension schemes.

### **Transfers from your HSBC Flexible Retirement Account**

**8.5** You can transfer all of your HSBC Flexible Retirement Account to another registered pension scheme or a Qualifying Recognised Overseas Pension Scheme.

**8.6** In certain circumstances you may be able to make an in specie transfer. Any such transfer is entirely at our discretion.

**8.7** Transfers will be paid by electronic transfer and must meet HMRC and any applicable legislative requirements.

**8.8** Where you ask us to carry out a transfer, you must provide us with all documentation that we may reasonably require, including your written transfer request. We will also require information from the receiving pension scheme. We will carry out any transfer as soon as reasonably possible once we have received all of the information we require. At our discretion we can, in certain circumstances, refuse to carry out a transfer.

**8.9** Any outstanding fees and charges are applied to the value of your HSBC Flexible Retirement Account before we carry out a transfer.

**8.10** If we receive any further monies in respect of your HSBC Flexible Retirement Account after you have transferred out we can, at our discretion, make payments of such amounts directly to you where such payments would be 'authorised payments' for the purposes of the Finance Act 2004.

## 9. Investments

**9.1** We determine the range of permitted investments following consideration of FCA requirements, HMRC rules, legislation, proposition and our administrative requirements.

**9.2** We can change the list of permitted investments and the investment restrictions for the following valid reasons:

- Changes in HMRC rules.
- Changes in pensions or other relevant legislation.
- Changes in the regulatory regime governing pensions or the reporting requirements.
- Changes in investment markets.
- Changes in how our business operates.

We will write to you if your Account holds an investment that is to be removed. We will not notify you every time we change the list of permitted investments and therefore it is your responsibility, along with your regulated financial adviser, to check the list of permitted investments when making decisions about investments.

**9.3** If you are recommended by a regulated financial adviser to invest in Discretionary Fund Management Service you must jointly apply with us to the relevant Provider to hold those investments in your Account. Further information on how we will provide these services including risk rating and descriptions of the portfolios can be obtained from your adviser.

**9.4** The costs, fees and expenses arising from the provision of investment management services relating to your Individual Fund will be deducted directly from the investments by the Provider of the services.

## Investment choice

**9.5** Your HSBC Adviser or Private Bank Relationship Manager or Investment Counsellor will provide you with details of the range of investment options to which you may be eligible to hold in your Flexible Retirement Account. The range of investment options may be varied at anytime without notice and you should contact your adviser for details of the current range of investment options.

**9.6** You are responsible for agreeing and directing the investment strategy of your HSBC Flexible Retirement Account, subject to any restrictions on investments as set out in Clauses 9.1 and 9.2 above.

**9.7** The money in your HSBC Flexible Retirement Account will be invested in accordance with the most recent investment instructions.

**9.8** The value of your HSBC Flexible Retirement Account is dependent on the value of your cash and investments when they are sold. There is no guaranteed amount. The amount you get will depend on the following factors:

- How much you invest.
- The performance of your investments.
- Any fees and charges.
- The terms and conditions of your investments.

**9.9** We do not provide investment or pensions advice, nor act as investment manager and we do not accept liability for:

- The performance or choice of your investments.
- Your choice of Authorised Representative.
- Any loss occasioned by your Authorised Representative, investment manager or any other person or firm who is responsible for any investment management.

## 10. Investment information and voting rights

**10.1** We will only forward you copies of reports, accounts, scheme particulars or meeting and voting information if we are under a regulatory obligation to do so.

**10.2** We will not normally contact you regarding shareholder meetings, proxy voting or AGM attendance arising from your investment holdings.

**10.3** If you wish to receive anything relating to or in addition to the above, you can request this, subject to our agreement and you agreeing to pay our reasonable charges.

**10.4** We will not exercise any voting rights in respect of your investments.

## 11. Holding of cash

**11.1** In accordance with the FCA's Rules we are able to hold the cash within your HSBC Flexible Retirement Account either as banker or as Client Money within the trust. Unless we have notified you otherwise we will hold your money as Client Money within the trust. We will give you no less than 30 days' prior written notification in accordance with Clause 22 (Changes to your HSBC Flexible Retirement Account) of any change to how we hold your cash.

**11.2** We will keep a record of all cash held in relation to your HSBC Flexible Retirement Account.

**11.3** If Client Money is held by us within the trust it will be held on your behalf in our name in the Flexible Retirement Account Cash Account and deposited with UK credit institutions and we may also hold with a member of the HSBC Group. Such money is identified as "Trustee Firm Client Money" and is segregated from our own firm money and any other client money held by the firm, in accordance with the FCA Rules. We remain responsible to you for your Client Money as required by those rules.

**11.4** When such money is held by us within the trust, in the event of our failure, or the failure of HSBC UK Bank plc, (or a third party bank with which your client money is deposited), the FCA's client money distribution and transfer rules will not apply. Instead, in accordance with the provisions of the FCA Rules, Trustee Firm Client Money will be dealt with in accordance with the terms of the trust deed under which it is held and in accordance with general trust law.

**11.5** Interest is payable on client money in accordance with Schedule 2.

**11.6** If your money is held by us as banker the cash in your HSBC Flexible Retirement Account will not be subject to the FCA Rules. This means that in the event of our failure the FCA's client money distribution and transfer rules will not apply; you will be dealt with under the deposit protection scheme of the Financial Services Compensation Scheme as described in Clause 24 (Financial Services Compensation Scheme).

**11.7** When such money is held by us as banker, occasionally there may be circumstances where we will not hold as banker but will hold your cash as a trustee firm under the FCA Client Money Rules. We will notify you of the circumstances if they arise.

**11.8** The protection accorded to your Client Money is in addition to any rights you may have, subject to eligibility, to claim compensation under the FSCS, as set out in Clause 24 (Financial Services Compensation Scheme).

## 12. Flexible Retirement Account assets

**12.1** Your HSBC Flexible Retirement Account assets are held and/or registered in our name as trustee of the Scheme or in the name of a nominee appointed by us for the purpose of holding those assets. Subject to Clause 12.2, we will be responsible for the custody of Flexible Retirement Account assets and we will safeguard your assets in accordance with the FCA's Rules. The

protection accorded to the assets under the FCA's Handbook of Rules and Guidance is in addition to any rights you may have, subject to eligibility, to claim compensation under the Financial Services Compensation Scheme, as set out in Clause 24 of these Terms.

**12.2** Where you decide to invest in a discretionary or third party investment portfolio, custody services will be provided by the investment manager, who will be responsible for the custody of assets within these portfolios in accordance with their terms of business. These terms will be provided to you separately at the time of your investment.

**12.3** We will accept responsibility to the full extent required by the FCA's Handbook of Rules and Guidance for the acts and omissions of associates, including our nominee, and other third parties with whom we deal on behalf of the HSBC Flexible Retirement Account for the assets held within the trust.

**12.4** Any assets we hold for you will not be pooled with our own assets. However, they may be held in a pooled account with assets held for other clients. Where your assets are held in this way your ownership of the assets in the pooled account will not necessarily be immediately identifiable. We will keep our own record where your ownership will be identifiable.

**12.5** In the event of the failure of us, if there is an irreconcilable shortfall on the pooled account, all clients with assets in the pooled account may share in that shortfall. The amount of shortfall will be calculated in proportion to their original share of the assets in the pooled account.

**12.6** Where the FCA's Handbook of Rules and Guidance require us to fund any shortfall in assets, we may make good that shortfall using assets or monies and any such monies shall also be treated by us as Client Money and held in accordance with Clause 11.1.

**12.7** When we place an instruction to buy or sell a unit in a regulated investment fund as an investment within your HSBC Flexible Retirement Account, these orders are combined with instructions from other customers to buy or sell a unit in a regulated investment fund as an investment within their HSBC Flexible Retirement Account. The impact of rounding may give rise to fractional units and may mean that the amount arrived at by multiplying the price of a unit by the number of units bought or sold, as applicable, may not be identical to the total amount of your Instruction. However, the amount paid to the fund manager or the amount received by way of sales proceeds, as applicable, will always be the amount of your Instruction. Any fractional units remaining after rounding will be paid to charity.

## 13. Information sharing

**13.1** We and other members of the HSBC Group may collect, use and share Customer Information (including information about you and any Connected Person, your transactions, your use of our products and services, and your relationships with the HSBC Group). Customer Information may be requested by us, by any member of the HSBC Group, or by a third party on behalf of us or any member of the HSBC Group, and

may be collected from you directly, from a Connected Person, from a person acting on behalf of you or a Connected Person, or from other sources (including from publicly available information), and it may be combined with other information available to us or any member of the HSBC Group. Schedule 3 provides further information on how we may collect, process and share Customer Information. Your information may be transferred to and stored in locations outside the European Economic Area (EEA), including countries that may not have the same level of protection for personal information. When we do this, we'll ensure it has an appropriate level of protection and that the transfer is lawful.

## 14. Taking benefits

### Your retirement age and benefit options

**14.1** As a Member, you can access your Individual Fund at retirement. You can take benefits from your HSBC Flexible Retirement Account from age 55 (or earlier if you have a protected early retirement age or if you are in ill-health and meet HMRC requirements). Alternatively, you can transfer the value of your HSBC Flexible Retirement Account to a different pension product. There are a number of pension products available to you.

**14.2** To help you, the Government has introduced a free and impartial pension guidance service, known as Pension Wise. You can find out more about this service and book an appointment at [moneyhelper.org.uk](https://www.moneyhelper.org.uk). This service offers guidance about your retirement options but does not offer advice. If you would like advice regarding your options, you should speak with a financial adviser.

**14.3** We write to you six months before your chosen retirement age to let you know your benefit options. You can amend your retirement age at any time by confirming this to us in writing. If you pass your chosen retirement age, have not taken benefit and we have not received a confirmation from you to extend your chosen retirement age, we will automatically change your retirement age to your 75th birthday. When you reach age 75 and if you still have not taken your benefits, we will change your retirement age to your 99th birthday.

**14.4** When you become eligible to take benefits from your HSBC Flexible Retirement Account as a Member, you can use your Individual Fund to:

- designate some or all of your Individual Fund for the payment of Flexi Access Drawdown
- withdraw some or all of your Individual Fund as an Uncrystallised Funds Pension Lump Sum
- withdraw some or all of your individual Fund as a Small Pension payment, subject to your Individual Fund not exceeding £30,000
- buy an annuity

or a combination of these options, depending upon your eligibility to use them.

We can also, at our discretion, allow any other form of benefit if payment of the benefit would be an authorised payment for the purposes of the Finance Act 2004. You will need to let us know the proportion of your HSBC Flexible Retirement Account assets you wish to use for these options. You can choose to receive benefits from only part of your HSBC Flexible Retirement Account, and you have the flexibility to choose when you receive benefits.



**14.5** You must have received a personal recommendation from a regulated financial adviser before designating all or part of the individual account to pension drawdown.

**14.6** Under current HMRC rules where you designate your Individual Account to Flexi Access Drawdown you can usually take 25% of this as a tax free lump sum. If you choose to take a cash lump sum, we will pay this by electronic transfer directly to your HSBC UK plc account in your name.

**14.7** If you are a Survivor the whole of your Individual Fund is allocated for the payment of Flexi-Access Drawdown and you can take income from it at any time. We can also, at our discretion, allow any other form of benefit if payment of the benefit would be an authorised payment for the purposes of the Finance Act 2004.

**14.8** The government sets an amount of pension savings you can build up in your lifetime without incurring a tax charge, this is known as the lifetime allowance. If you are a Member, when you take benefits from your scheme or designate part of your Individual Fund for the payment of a Drawdown Pension we test the value of the benefit or designation and any tax free lump sum against your lifetime allowance and report this to you. We carry out a further test of the value of your Individual Fund (less any amount previously tested) against your lifetime allowance when you reach age 75. Following your death, further tests may be carried out against your lifetime allowance on the purchase of an annuity or the designation of any part of your Individual Fund for the payment of Drawdown Pension to a Survivor or on the payment of a lump sum from funds that

had not previously been designated for the payment of benefits to you.

**14.9** If the lifetime allowance is exceeded, there is a tax charge. If we discover that a lifetime allowance tax charge is payable in respect of your Individual Fund or benefits paid from it, we deduct the tax charge from the value of your Individual Fund and pay it to HMRC. You must provide us with the information necessary to calculate the tax charge. You are responsible for any tax charges that may arise as a result of that information being incorrect or not being provided.

### **Payment of your Drawdown Pension**

**14.10** If you designate all or part of your Individual Fund for the payment of Flexi-Access Drawdown there are no minimum or maximum amounts that we may pay to you. As a Member, if you are eligible to receive benefits you can designate all of your Individual Fund for the payment of Flexi-Access Drawdown at any time. Alternatively, you can make an annual designation of part of your Individual Fund for the payment of Flexi-Access Drawdown. If you are a Survivor the whole of your Individual Fund is allocated for Flexi-Access Drawdown. You can receive individual lump sum payments or regular payments which can be made monthly, quarterly, half-yearly or yearly from the funds that have been designated for Flexi-Access Drawdown.

**14.11** If you wish to continue to receive Capped Drawdown pension there is a maximum annual amount which we can pay and this will be notified to you. You can receive individual lump sum payments or regular payments which can

be made monthly, quarterly, half-yearly or yearly. If you wish to draw more than the maximum annual amount, you can elect to switch from Capped Drawdown to Flexi-Access Drawdown. If you do so, when you take your first payment as Flexi-Access Drawdown you will become subject to the Money Purchase Annual Allowance and you will no longer be able to have Capped Drawdown.

**14.12** In accordance with your Instructions we will ask your investment managers to sell your investments to generate sufficient cash to be held in the Cash Account to make any payments including an allowance for any tax due to HMRC. If there is insufficient cash in the Cash Account and:

- you have invested in a discretionary managed service, we will request a withdrawal from your Provider which will be made in accordance with the terms and conditions of your discretionary managed service. This might mean there is a delay in making any payments to you;
- you have not invested in a discretionary managed service, we will sell your investments starting with the last investment purchased on a 'last in, first out' basis provided the investments are readily realisable, to enable us to pay your Drawdown Pension. If any investments are not readily realisable we will ignore those assets in this process. If there are insufficient realisable assets the payment of your Drawdown Pension may be delayed or not paid as a result.

**14.13** Payments to you will be made by electronic transfer directly to your HSBC UK bank account in your name on the 1st day of the month. We will not make any Drawdown Pension payments to overseas bank accounts or non-HSBC UK bank accounts. Where the 1st of the month is not a Business Day we will pay you on the Business Day before.

**14.14** We will deduct the amount of income tax due before we pay any Flexi-Access or Capped Drawdown pension payments to you. We will account for the income tax and submit this to HMRC. We deduct tax using the emergency tax code until HMRC notify us of your correct tax code. We can only calculate your tax liability based on the tax code we receive from HMRC even if this is different to the tax code you have received personally. We will not be liable for any loss you incur due to the incorrect tax code being issued to us.

**14.15** If you are a Survivor and the original Member of whom you are a Survivor died before his or her 75th birthday, Flexi-Access Drawdown payments to you will be tax free and will be made without the deduction of income tax. The payment of Drawdown Pension from your HSBC Flexible Retirement Account will not trigger the Money Purchase Annual Allowance because you are taking benefits as a beneficiary of the original Member.

**14.16** You may change how much you receive or stop payments at any time by telling us by the fifth day of the month. If you tell us after the fifth day of the month, these changes will not apply until the following month.

**14.17** You will receive an annual statement confirming details of the Drawdown Pension paid to you and tax deducted. After the end of the tax year you will receive a P60 form which should be retained safely as you may need to include the information on your tax return.

## 15. Death benefits

### Payment of death benefits

**15.1** When you open your HSBC Flexible Retirement Account, we ask you to complete an expression of wish form nominating the Beneficiaries you would like your benefits to be paid to on your death. You may amend your nomination at any time. We will take this into account when deciding to whom your benefits should be paid, but the form is not binding on us. The decision and any payments will be made at our discretion and in line with the Rules, and we will write to the Beneficiary(ies) we select giving details of the options available to them.

**15.2** Following confirmation of your death the remaining Individual Fund may be paid as a lump sum(s) to the Beneficiary(ies) we select, or be used to buy an annuity or annuities for them. If your Beneficiaries want to use Drawdown this must have been recommended to them by an authorised advisor and they can transfer the relevant part(s) of your Individual Fund to a new Flexible Retirement Account that would (subject to our acceptance of the beneficiary's Application) be set up in their name as a Survivor or they may transfer it to another registered pension scheme.

**15.3** If you die before age 75, benefits paid following your death will normally be paid free of any tax.

**15.4** If you die age 75 or older, any death benefits paid to individuals will be taxed as income of the recipient, at their marginal rate of Income Tax. If a lump sum payment is made to a trust rather than to an individual, it will be subject to a fixed 45% tax charge.

**15.5** Any funds in your HSBC Flexible Retirement Account which have not been used to provide benefits, as described in Clause 14 (Taking benefits), unless death occurs on or after the member's 75th birthday, must be paid out within two years of the date we receive notification of your death, or there may be a tax charge.

**15.6** As a Member, where the funds exceed your remaining lifetime allowance (as described in Clause 14.7 (Taking benefits) above), a lifetime allowance tax charge may be payable by the recipient(s) of any death benefits.

**15.7** On notification of the death of a Member or Survivor we will cease all correspondence, contributions and income payments to and from the deceased Member/Survivor. We will sell the investments in your HSBC Flexible Retirement Account on receipt of the death certificate and hold the proceeds in cash in the Cash Account to enable the benefits to be paid out. We will correspond with the personal representative of the Member/Survivor. It may take some time to sell the investments in your HSBC Flexible Retirement Account.

## 16. Unauthorised payments

**16.1** If we make any payments, or have to carry out any transactions or any third party within your HSBC Flexible Retirement Account which are deemed not to be authorised payments under HMRC rules, tax charges may apply. An example of this may be where you cancel your HSBC Flexible Retirement Account within the cancellation period and you do not return any tax free lump sum and/or withdrawals we have paid to you. We can deduct from your Individual Fund an amount to cover any tax charge that we are, or may become, liable to pay as a result of the payment or transaction being made.

**16.2** Where the extent of any tax liability is uncertain, we can at our absolute discretion either deduct such amount from your Individual Fund as we may determine or, if the tax liability relates to a payment from your HSBC Flexible Retirement Account that is due to be paid, postpone the payment to the recipient. We will rely on information provided by you (or any other recipient of benefits from your HSBC Flexible Retirement Account after your death) where we are required to calculate any tax liability due.

**16.3** If the value of your HSBC Flexible Retirement Account is not sufficient for us to recover such tax, interest or charge, you or, following your death, the relevant Beneficiary will be personally liable to reimburse us for any loss we suffer in respect of the tax charge.

**16.4** We can refuse to allow any transaction if it is apparent that the transaction could lead to an unauthorised payment charge, and unauthorised payments surcharge or a scheme sanction charge under the Finance Act 2004, or any other punitive tax or charge.

## 17. Fees and charges

### **Our fees and charges**

**17.1** No fee is currently payable for providing the Services detailed in Schedule 1. However, this may change pursuant to our rights under Clause 17.3 below. Other fees and charges will be payable to the relevant Provider providing your investment as detailed in your Key Features Illustration and/or Key Information Document.

**17.2** You agree to pay the fees and charges in accordance with the terms of your HSBC Flexible Retirement Account.

### **Changes to our fees and charges**

**17.3** Fees and charges are reviewed annually and we may introduce new fees and charges or make changes to them if there is a valid reason for doing so. We will give you not less than 30 days' notice of any introduction of fees, increases to fees and charges or the method used to collect them by writing to you at the last address we have for you. If we vary our fees or introduce new fees and you do not agree to the changes, you may transfer your HSBC Flexible Retirement Account to an alternative provider by giving us notice before the changes come into effect. We will then assist you in transferring to an alternative registered pension scheme free of charge.

**17.4** In introducing, reviewing or amending our fees, we will have regard to changes in the level of administration expenses we incur, including but not limited to FSCS levies or any other levy or tax which may be imposed on us from time to time.

**17.5** Provider fees and charges on investments detailed in the Key Features Illustration and/or Key Facts Document are at the discretion of the relevant Provider and may be changed by them from time to time.

## 18. Administration

### Instructions to us

**18.1** If you have appointed an Authorised Representative, Instructions will normally be submitted to us by your Authorised Representative, and we will accept all Instructions as binding and received in good faith. If Instructions are submitted to us by your Authorised Representative, we will not be responsible for any investment loss or expenses incurred by your HSBC Flexible Retirement Account which are caused by a delay on the part of the Authorised Representative.

**18.2** If you do not have an Authorised Representative, or if you want to instruct us directly, all Instructions to us must be from you, in writing and signed by you. We reserve the right to accept email or telephone Instructions but we may require you (or your Authorised Representative if you have one) to confirm your Instructions in writing before we act on those Instructions. We can monitor and/or record our telephone conversations with you and/or Authorised Representatives for the purposes of training and quality assurance and to ensure that we have an accurate

record of your instructions. We will retain all records for seven years or longer, if required by law. You may ask for a copy of any records at any time during this period.

**18.3** If any Instructions are unclear or we have reason to believe that email or telephone Instructions may not have come from you or your Authorised Representative, we will request clarification from you or your Authorised Representative before proceeding. We will not be responsible for any losses caused by the result of delay arising as a result of seeking such clarification.

**18.4** You must notify us immediately of any changes concerning your HSBC Flexible Retirement Account membership including payment of contributions which do not attract tax relief.

**18.5** It is your responsibility to notify us immediately if you identify any errors.

### Communications from us

**18.6** Any instruction, notice or communication that we give to you under these terms and conditions will be in writing and sent by email or post to your last known address (or by such other methods as we may decide from time to time). If a communication is sent by email before 5pm on a Business Day, it will be deemed to be served on that day. Otherwise, a communication sent by email will be deemed to be served on the next Business Day after it is sent. If a communication is posted, it will be deemed to be served two days after posting (excluding Sundays and Public Holidays). We will communicate with your Authorised Representative unless you tell us to communicate directly with you.

Any communication which we provide to you is provided solely for your own use and it is not intended to be relied upon by any third parties.

## 19. Liability

**19.1** We shall not be liable to you for any claims, costs, expenses, losses, liability, default or delay arising to your HSBC Flexible Retirement Account and its underlying investments unless that loss has been caused by our wilful neglect, wilful default or fraud.

**19.2** In particular, we shall not be liable for any losses arising from:

- you or your Authorised Representative providing us with a lack of or inaccurate data or information, or delays on the part of you or your Authorised Representative;
- acts or omissions of your chosen Provider or their, nominee or custodian;
- a failure to perform or delay in performing our obligations under these terms and conditions if the failure or delay results from war, riot, terrorism, fire, flood or other natural disaster, strikes or industrial action, cyber-attack on our computer systems, or any other cause beyond our reasonable control;
- any unauthorised payment (as defined in Section 160(5) of the Finance Act 2004) or resulting tax charges in respect of your HSBC Flexible Retirement Account;
- any loss on the investments in your HSBC Flexible Retirement Account and/or any resulting consequential loss to you (for example the loss of the opportunity to invest in another investment);

- the acts or omissions of any third party you may use to assist you in making investments; or
- any act or failure to act by you which is prohibited by legislation and regulation, and which requires us to take corrective action.

**19.3** In the event that we incur any costs, charges or expenses as a result of any action or inaction on your part, we will take all steps that we consider reasonable to recover these amounts from you personally. You agree to reimburse us in respect of such amounts. If we incur any costs, charges or expenses as a result of any action or inaction on the part of your Authorised Representative we reserve the right to pursue your Authorised Representative to recover the amount of those costs, charges and expenses.

**19.4** For the avoidance of doubt, we do not exclude our liability where we are prohibited from doing so by legislation and regulation, including liability for death or personal injury caused by our negligence.

## 20. Termination of your HSBC Flexible Retirement Account

**20.1** Your HSBC Flexible Retirement Account will terminate immediately on the occurrence of any of the following events:

- payment of a transfer value in respect of all of your Individual Fund to another registered pension scheme or to a Qualifying Recognised Overseas Pension Scheme or to purchase an annuity;

- if your Individual Fund is exhausted through the payment of benefits;
- the cancellation of your HSBC Flexible Retirement Account within the cancellation period;
- on the winding-up of the Scheme in accordance with the trust deed and Rules.

**20.2** If there are no funds held in your Individual Fund for a period of at least 30 days, we will have the right to close your HSBC Flexible Retirement Account.

**20.3** If we think it is appropriate and reasonable to do so we can stop accepting further transfer payments and contributions into your HSBC Flexible Retirement Account, or terminate your HSBC Flexible Retirement Account for one of the following reasons:

- if you are no longer eligible for a HSBC Flexible Retirement Account under Clause 3 (Eligibility);
- we receive a court order obliging us to terminate your HSBC Flexible Retirement Account;
- we cease to be authorised by the PRA;
- we cease to be regulated by the PRA or FCA for the Services;
- if we are informed, or otherwise become aware, that you are using your HSBC Flexible Retirement Account for illegal purposes;
- you are not observing the Terms and Conditions of the HSBC Flexible Retirement Account;
- (in respect of stopping accepting further transfers) allowing you to continue to make transfer payments in would breach HMRC or FCA regulations;

- there has been no movement on your HSBC Flexible Retirement Account for a period of at least six years;
- if the Scheme becomes too expensive for us to operate;
- if we make an alternative Scheme available that provides similar benefits;
- if our business is to be sold or wound up; or
- if the registration of the Scheme is removed by HMRC.

Where practicable, we will give you at least six months' advance notice of a decision to stop accepting further transfer payments and contributions into your HSBC Flexible Retirement Account or to terminate your HSBC Flexible Retirement Account under this Clause 20.3. However, we may not give you notice if there are serious grounds that require us to close your HSBC Flexible Retirement Account sooner.

**20.4** In the event we terminate your HSBC Flexible Retirement Account, we will sell your holdings in your investments on the date we terminate your HSBC Flexible Retirement Account. We will then deduct any outstanding fees. The balance will be transferred out to another UK registered pension scheme. You can tell us which UK registered pension scheme to transfer your funds to during the notice period outlined above. If you do not do so, we will transfer the funds to a UK registered pension scheme of our choice.

**20.5** All outstanding fees must be settled before your HSBC Flexible Retirement Account can be terminated.

**20.6** The termination of your HSBC Flexible Retirement Account does not affect:

- any rights and/or obligations you or we have which accrue before the date of termination;
- any rights and/or obligations expressed or intended to continue in force after and despite termination, which shall include information sharing (Clause 13), unauthorised payments (Clause 16), fees and charges (Clause 17), and liability (Clause 19);
- our obligation to complete any work or transaction already started as soon as practicable after termination and to co-operate fully with any adviser appointed in our place; or
- our right to charge for any services provided after termination.

## 21. Closure of the Scheme

**21.1** We may inform you that no new members will be admitted to the Scheme and/or contributions by existing members will no longer be accepted.

**21.2** Any such decision may be made for valid reasons including, but not limited to, any of the following:

- we cease to be authorised by the PRA;
- we cease to be regulated by the PRA or FCA for the Services;
- the Scheme ceases to be a registered pension scheme;
- we determine that it is necessary for the protection of the members;

- (in respect of stopping accepting further contributions) allowing contributions to continue to be paid in would breach HMRC or FCA regulations;
- if the Scheme becomes too expensive for us to operate;
- if we make an alternative Scheme available that provides similar benefits; or
- our business is to be sold or wound up.

**21.3** Where practicable, we will give you at least six months' advance notice of a decision to close the Scheme to new members or to stop accepting contributions from existing members under this Clause 21. However, we may not give you notice if there are serious grounds that require us to close the Scheme to new members or new contributions sooner.

**21.4** If the Scheme closes, we will notify you of your rights and options. Where it is necessary to transfer your Flexible Retirement Account to an alternative registered pension scheme unless we receive your written instructions within the notice period we will sell your holdings in your investments on the date we close the Scheme. We will then deduct any outstanding charges. The balance will be transferred out to another UK registered pension scheme. You can tell us which UK registered pension scheme to transfer your funds to during the notice period outlined above. If you do not do so, we will transfer the funds to a UK registered pension scheme of our choice. Alternatively, we can, at our discretion, make payments directly to you where such payments would be 'authorised payments' for the purposes of the Finance Act 2004.



## 22. Changes to your HSBC Flexible Retirement Account

**22.1** We may amend the fees for the Services in accordance with Clause 17. We can make any other changes to these Terms and Conditions for any of the following reasons:

- to respond proportionately to changes in general law or decisions of the Financial Ombudsman Service or the Pensions Ombudsman Service or the Financial Services Compensation Scheme;
- to respond proportionately to a court order or decision affecting the Scheme or your HSBC Flexible Retirement Account;
- to respond proportionately to any changes in the operation of markets, investment dealing or administration;
- to meet regulatory requirements;
- to reflect new industry guidance and codes of practice which raise standards of consumer protection;
- to reflect a change in our corporate structure that does not have a significant unfavourable impact on your rights under your HSBC Flexible Retirement Account but which does require us to make certain changes to the terms of the Scheme or your HSBC Flexible Retirement Account;
- to reflect a reorganisation in our business by it or part of it being acquired by or it acquiring another pension provider;
- to reflect any reorganisation in the way we administer our business (so that customers with similar pension schemes can be treated in the same way);
- to respond proportionately to changes in the terms or charges of any investment fund;
- to respond proportionately to changes in relevant market rates or indices or tax rates;
- to reflect proportionately other legitimate cost increases or reductions associated with providing the Scheme and your HSBC Flexible Retirement Account;
- to provide for the introduction of new or improved systems, methods of operation, services or facilities; or to reflect the appointment by us of alternative third parties to provide services under the Scheme or your HSBC Flexible Retirement Account or to respond proportionately to changes in the terms and conditions or charges of any third parties appointed in respect of the Scheme or your HSBC Flexible Retirement Account.

**22.2** We will tell you about the changes and when they come into force by post. If the change is to your disadvantage, we will give you 30 days or more prior notice before we make the change. We may make any other change immediately and tell you about it within 30 days.

**22.3** If you are unhappy with any change made, you can close your HSBC Flexible Retirement Account or transfer it to another pension provider. We do not charge for transferring out your fund. Although we do not charge for the transfer, any outstanding charges up until the date of transfer or closure are still payable.

## 23. Complaints

**23.1** We have in place a procedure for the effective consideration and proper handling of complaints. You should make any complaints to the Customer Care Team through the following contact details:

**The Customer Care Team  
HSBC Bank plc  
PO Box 6125  
Coventry  
CV3 9GW**

Telephone: **0345 740 4404**

Email: **customer.care.team@hsbc.com**

**23.2** If you are not satisfied with our investigation into your complaint, you are able to refer the matter to The Financial Ombudsman Service whose address is:

**The Financial Ombudsman Service  
Exchange Tower  
Harbour Exchange Square  
London  
E14 9SR**

Further information can be obtained on the Financial Ombudsman Service website: **financial-ombudsman.org.uk**.

## 24. Financial Services Compensation Scheme

**24.1** We are covered by the FSCS. You may be eligible to compensation from the scheme if you have a valid claim against us and we cannot meet our obligations due to insolvency.

Most types of investment business will be covered up to a maximum limit of £85,000 per person. In respect of cash, subject to eligibility, your account will be covered regardless of whether we hold that cash as banker or as trustee up to £85,000.

Compensation is calculated per customer per firm rather than per account or per product. This means for example that if you have a number of deposit accounts with us your total maximum cover for deposits is £85,000 as opposed to £85,000 for each account that you have with us.

For further information about the scheme compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website **fscs.org.uk** or call the FSCS on **0800 678 1100** or **0207 741 4100**.

## 25. Conflicts of interest

**25.1** We have established procedures which are designed to identify, prevent or manage such conflicts which may adversely affect the interests of clients. These are summarised in Schedule 4. For some of our services we may receive other minor benefits (but not payments) that we believe improve the quality of the service provided to you. Such benefits will be minor in nature so that they do not impact on our ability to always act in your best interests.

**25.2** We will promptly inform you, and confirm in writing, if at any time we become aware of any conflict or potential conflict arising between our duties to you under the Customer Agreement and any obligations we may have to any other party, including your employer. We will not act for both parties in respect of any such matter unless you and we agree that we may do so.

## 26. General terms

**26.1** Each provision of these Terms and Conditions constitutes a separate and independent provision. If any provision of these Terms and Conditions is judged by any court or empowered authority to be void or unenforceable, the remaining provisions shall continue in full force and effect.

**26.2** Any taxation or legal information contained in the documents constituting your HSBC Flexible Retirement Account is based on our interpretation of current legislation and HMRC practice at the time those documents were produced and which may change in future. Applicable taxation legislation overrides any conflicting terms in your HSBC Flexible Retirement Account.

**26.3** If we do not insist that you perform any of your obligations under these Terms and Conditions, or if we do not enforce our rights against you, or if we delay in doing so, that does not mean that we have waived our rights against you and that does not mean that you do not have to comply with your obligations. If we do waive a failure to perform by you, we only do so in writing and that waiver only applies to that specific failure.

### Severability

**26.4** If any provision of your HSBC Flexible Retirement Account is or becomes invalid or contravenes any applicable law then the remaining provisions shall remain in force.

### Delegation

**26.5** We may delegate any of our functions or responsibilities under your HSBC Flexible Retirement Account to any person. Before doing so and from time to time thereafter, we will satisfy ourselves that such person is competent to carry out those functions or responsibilities and we will require such person to keep all data confidential and we will take reasonable steps to ensure that such person provides the Services with reasonable skill and care.

### **Third party rights**

**26.6** A person who is not a party to your HSBC Flexible Retirement Account (other than a beneficiary in relation to death benefits) has no rights to enforce any terms of your HSBC Flexible Retirement Account under the Contracts (Rights of Third Parties) Act 1999 and the parties to your HSBC Flexible Retirement Account do not intend that any third party rights are created by your HSBC Flexible Retirement Account.

### **Governing law**

**26.7** Your HSBC Flexible Retirement Account is governed by and construed in accordance with English law. The English courts shall have non-exclusive jurisdiction to settle any disputes or claims which may arise out of or in connection with your HSBC Flexible Retirement Account.

## Schedule 1

### **Services**

#### **Set-up services**

Provision of all documents required to establish the HSBC Flexible Retirement Account.

Provision of "Expression of Wish Forms" to you in respect of death benefits.

Establishing records for the HSBC Flexible Retirement Account.

#### **Trustee and administration services**

Professional responsibility as the Operator.

Professional responsibility as the HMRC scheme administrator.

Information on the day-to-day running of the HSBC Flexible Retirement Account including the provision of:

- general information on changes in legislation, drawing benefits from the HSBC Flexible Retirement Account and the benefits available on death;
- information regarding the interpretation of the Trust Deed, the Rules and HMRC practice.

Routine administration including:

- provision of annual statements;
- record keeping;
- provision of ad hoc valuation statements;
- operation of a bank account to hold cash for your HSBC Flexible Retirement Account;
- liaison with you or your Authorised Representative;
- making investments through you or your Authorised Representative;
- banking cash contributions and investment income;
- reclaiming tax on member and third party contributions;
- monitoring the purchase and sale of assets on behalf of the HSBC Flexible Retirement Account; and
- dealing with and reporting to HMRC all routine matters as required by legislation.

#### **Transfer of benefits to and from the HSBC Flexible Retirement Account**

Liaison with the ceding/receiving pension provider.

Completion of all necessary forms and documentation.

Arranging for the transfer to be made in cash or by the surrender, assignment or transfer of assets in specie at our discretion as appropriate.

**Benefit calculations** Calculation of benefits payable from the HSBC Flexible Retirement Account.

**Payment of pension commencement lump sum** For a Member, arranging for assets to be disinvested and making cash payment to your bank account.

Updating records for the HSBC Flexible Retirement Account and making all necessary reports to HMRC.

#### **Payment under PAYE**

Establishment of member records on computer system.

Liaison with HMRC in respect of your tax code.

Issue of standard tax forms.

Payment of regular payment of pensions on our usual payroll date.

**Annuity purchase** Provision of information to your Authorised Representative and/or annuity provider.

#### **Distribution of benefits following death**

Arranging payment of benefits and paying any tax due. Reporting to HMRC as necessary.

**Tax reclamation** Reclaiming income tax deducted from investment income. Tax reclaims will be invested in accordance with your Instructions.

#### **Provision of information to third parties**

Providing information relating to the HSBC Flexible Retirement Account at your request.

## Schedule 2

#### **Terms for the Cash Account**

The Cash Account is held with HSBC UK Bank plc ("the Bank") and/or such other bank(s) with which we may from time to time open a bank account for cash we hold in relation to the Scheme.

#### **General terms**

HSBC Trust Company (UK) Limited is the sole account holder.

All balances will be held in Great British Pounds Sterling. Interest on cleared funds (ie, funds that have passed through the inter-bank clearing system and are deemed as available for use) is calculated on a daily basis and will be credited quarterly in arrears, during the months of March, June, September and December. Interest will be paid gross, ie, without the deduction of income tax.

Credit interest is paid at 0.5% below the Bank of England's Base Rate (down to a minimum of zero), as varied from time to time. Interest paid to you may be more or less than the actual amount which we earn by placing the funds on deposit with various institutions.

#### **Member terms**

Each Member and Survivor is required to maintain a sufficient balance, at all times, to cover any payments due.

Any payment request that would otherwise cause the Member's account to be overdrawn will NOT be carried out.

Statements will be issued to each Member at least annually.

Standing Orders may be operated by HSBC Trust Company (UK) Limited on the Cash Account to make regular payments.

Direct Debit mandates may be operated by HSBC Trust Company (UK) Limited to collect contributions from your account(s) held with other organisations.

Payments made by CHAPS are subject to charges that are set out in the Product and Investment Guide.

## Schedule 3

### Your information

#### Glossary of terms used in Schedule 3

Capitalised terms used in this Appendix and our Privacy Notice shall have the following meanings:

**Authorities** includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

**Compliance Obligations** means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers.

**Connected Person** means any natural person or legal entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include any guarantor or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group. A Connected Person may include any guarantor or owner of a legal estate in land over which we are to take security, provider or recipient of a payment or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

**Customer Information** means your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

**Financial Crime** means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or break any Laws relating to these matters.

**Financial Crime Risk Management Activity** means any action to meet Compliance Obligations relating to the detection, investigation and prevention of Financial Crime. This may include (a) screening, intercepting and investigating any communication, application for Services or any payment, whether sent to or by you or on your behalf, (b) investigating the source of or intended recipient of money,

(c) combining Customer Information with other related information in the possession of the HSBC Group and/or (d) making further enquiries as to the status of a relevant person or entity (whether they are subject to a sanctions regime or confirming their identity or status).

**HSBC Group and any member of the HSBC Group** means HSBC Holdings plc, and/or any of its affiliates, subsidiaries, associated entities, and any of their branches or offices.

**Laws** include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or any other member of the HSBC Group.

**Personal Data** means any information relating to an individual from which they can be identified.

**Services** means (a) the opening, maintaining and closing of your accounts with us; (b) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

**Tax Authorities** means UK or foreign tax, revenue or monetary authorities (for example, HMRC).

**Tax Information** means documentation or information about a person's tax status, including yours.

### Privacy

Your privacy is important to HSBC.

Our Privacy Notice explains how we collect, use, disclose, transfer and store your information and sets out your rights in relation to your information. A copy of our Privacy Notice is available separately and we will inform you when we make any changes to it. You can find a copy at **hsbc.co.uk** or you can ask for a copy in branch or by telephone.

### Your responsibilities

If we make a reasonable request for information, you must give it to us as soon as possible. If you don't give it to us, or if we suspect fraudulent or criminal activity of any kind:

- you might not be able to carry on doing some or all of your banking with us any more;
- we might try to get it from another source, ourselves.

It's up to you to make sure the information you give us is accurate and up to date, and you must tell us if anything changes, within 30 days.

We'll use your information as explained in our Privacy Notice. We'll give it to others if we're compelled to do so by law, we've a public duty to disclose it, we need to disclose to protect our own interests (for example in any legal proceedings) or if we have your specific agreement. For example,

if we believe you may have tax obligations in other countries, we may have to disclose information about you directly to HM Revenue & Customs (HMRC) or other local tax authorities.

### **Tax compliance**

It's up to you to meet your tax responsibilities in the UK and any other countries where this arises. This relates to the opening and use of accounts and services provided by members of the HSBC Group. Some countries' tax laws may apply to you even if you don't live there or aren't a citizen of that country. Connected Persons, who are people connected with you that's relevant to your relationship with us, are responsible for their own tax obligations. As you are responsible for your own tax obligations (and Connected Persons, for theirs), no HSBC Group member is responsible for this nor provides tax advice. It is your choice if you seek independent legal and tax advice.

### **Actions we may take in order to prevent Financial Crime**

Members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity"). Such action may include, but is not limited to:

(a) screening, intercepting and investigating any instruction or communication sent to or by you or a Connected Person, or on your or their behalf;

(b) investigating the source of or intended recipient of funds;

(c) combining Customer Information with other related information in the possession of any member of the HSBC Group: and/or

(d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming their identity and status.

Exceptionally, our Financial Crime Risk Management Activity may lead to us:

(a) delaying or refusing to either process a payment or your instructions;

(b) being unable to provide all or part of the Services to you and ending our entire relationship with you;

(c) taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or

(d) locking or closing your account(s) (although not any of your mortgage account(s)).

To the extent permissible by law, no member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.



## Schedule 4

### **HSBC policy on conflicts of interest**

'HSBC Group' means HSBC Holdings plc and its subsidiaries, associated and affiliated companies. The HSBC Group is a global organisation, which provides a wide range of financial services. As such, it, or a company with whom it has an association ('HSBC'), may from time to time have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of HSBC, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves. Conflicts may also arise from the receipt of payments or benefits from third parties or from remuneration and other incentive structures.

HSBC has established procedures, which are designed to take all appropriate steps to identify, prevent and manage such conflicts which may adversely affect the interest of clients. These include organisational and administrative arrangements to safeguard the interests of clients. A key element of this policy is that persons engaged in different

business activities involving a conflict of interest must carry on those activities independently of one another. Where necessary, HSBC maintains arrangements which restrict the flow of information to certain employees in order to protect its clients' interests and to prevent improper access to client information.

HSBC may also deal on its own behalf for its own investment account and may be matching transactions with another client. Procedures are in place in order to protect the client's interest in this instance. In some cases, HSBC's procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client's interests. In these circumstances, HSBC will consider whether it is appropriate to disclose the potential conflict to the client and obtain the client's formal consent to proceed. However, HSBC may decline to act in any circumstance where there is residual risk of damage to the interests of any client. You may have further questions which relate to the underlying procedures within HSBC. In such cases you should contact us.

# Accessibility

**If you need any of this information in a different format, please let us know. This includes large print, braille, or audio. You can speak to us using the live chat on our website, visiting one of our branches, or by giving us a call.**

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service. To find out more please get in touch. You can also visit: [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or [hsbc.co.uk/contact](https://www.hsbc.co.uk/contact).

## **hsbc.co.uk**

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