

About Your Sainsbury's Variable Rate ISA

(Effective from June 2014)

The Variable Rate ISA Terms & Conditions together with the General Terms and Conditions (below) set out the terms and conditions for your Sainsbury's Bank Variable Rate ISA Account. Please read them and then keep them for future reference. They are also available on our website and you can ask for a copy at any time by getting in touch with us. Our contact details are on the back page.

Bank working days

When we talk about bank working days we mean between 9am and 6pm on any day which is not a Saturday, Sunday or English bank or public holiday.

1 ISAs

The Sainsbury's Variable Rate ISA is a cash ISA.

You can transfer funds from existing ISAs held with other providers into your Sainsbury's Variable Rate ISA.

Even if you make withdrawals from your ISA, the total of all funds paid into your ISA during a tax year (along with any transfers in from ISAs funded in the same tax year) cannot exceed your annual ISA allowance. Transfers in from ISAs funded in previous tax years will not count towards this limit.

If your total deposits in a tax year reach your annual ISA allowance and you then withdraw funds, you cannot make any further deposits in that tax year.

If you deposit more money into your ISA than your ISA allowance, we will return the excess funds and any interest we owe to you. We will pay this interest to you net of tax at the basic rate.

Interest earned on ISAs is currently tax free. However the tax treatment of ISAs may change in the future. Any changes made to ISA regulations will apply as soon as they come into force.

Any money in your ISA must belong to you at all times. For example, you can't use it as security for a loan.

2 Eligibility

You can open an account if you:

- are 18 or over;
- are resident and ordinarily resident in the UK for tax purposes or you are a Crown employee serving overseas (or are married to or in a civil partnership with a Crown employee serving overseas);
- have not subscribed to another cash ISA in the same tax year (unless you are transferring an existing ISA)

The account must be opened in your sole name and cannot be a joint account. We may ask you to close your account if you are no longer resident or ordinarily resident in the UK for tax purposes.

3 **Interest**

3.1 **How you earn it and when you receive it**

You'll earn interest on the money in your account each day. You'll receive your interest annually and we'll pay it on the anniversary of the day your account was opened (or the next bank working day if the anniversary date isn't a bank working day). If you use the ISA transfer process to fund your account and your existing ISA provider makes the transfer using a cheque, we will pay interest from the date on the cheque. If your existing ISA provider makes the transfer electronically, we will pay interest from the day the money reaches us.

Interest on your account is paid without deducting any income tax.

In the event of your death, any interest earned from the date of your death will have income tax deducted.

3.2 **Rate**

You can find your interest rate in the customer support section of our website, through our online banking service, or by calling us.

The interest rate on your account is variable which means that it can change. We will give you notice of any changes as set out in the table below. We will only make changes for certain reasons and these are set out in detail in the General Terms and Conditions.

Type of Change	When we will tell you about it
Reduction to your interest rate	<p>We will give you 14 days notice in writing. If you're not happy with this change, in the 30 days after you receive notice you can:</p> <ul style="list-style-type: none">• Transfer your balance to another ISA provider (see section 4.2) <p>or</p> <ul style="list-style-type: none">• Close your account and withdraw your money (see section 8). Your money will lose its tax-free status if you do this. <p>If you don't contact us, your account will stay open and we'll reduce your rate.</p>
Increase to your interest rate	<p>We'll tell you about the increase as soon as possible by giving you personal notice or by putting notices in three national daily newspapers. Details of which newspapers the notice will appear in can be found in the support section of our website or by calling us.</p>

4 **How you can use your account**

You can manage your account through our Online Banking or Telephone Banking services.

4.1 **Paying money in (see the General Terms and Conditions for timescales)**

You can pay money in by:

Transfer in from existing ISA provider - You must complete a 'Transfer In' form which we can supply to you. If you don't use this form, your funds will lose their tax free status

Bank Transfer/Standing Order – You can ask the bank you want your payments to come from to set these up.

Cheque – Write the sort code and account number for this Cash ISA account on the back of a cheque made payable to yourself and send it to us.

If you do not make a deposit into your account in any tax year after the year in which you opened it, you will need to make a new ISA application in order to make deposits.

4.2 **Transferring your balance to another cash ISA**

If you want to transfer some or all of the money in your account to a new ISA provider, we will send the funds and accompanying information to the new ISA provider within 5 bank working days of receiving the relevant instruction and information from them and in accordance with the ISA regulations. If you want to transfer money that you've paid in during the current tax year, then all of the money you've paid in during that year must be transferred (you can't just transfer some of it). To maintain the tax-free status of the money being transferred, you must make the transfer by completing a transfer application form from your new ISA provider.

4.3 **How to make a withdrawal (see the General Terms and Conditions for timescales)**

If you instruct us to, we'll transfer all or part of the money held in your account (and any interest we owe you) to you. We'll do this on the day that you instruct us to, or the next banking working day if that is not a bank working day. Please see section 2.1 of the General Terms and Conditions for withdrawal timescales. You can transfer money from your account to any account with a bank or building society which is part of the UK clearing system (including most variable-rate savings accounts). If you do this, your money will lose its tax-free status. If you wish to use your withdrawal to fund another Cash ISA, please use the ISA transfer process described in section 4.2. You can make withdrawals online or by calling us.

We won't pay interest on a withdrawal on the day it's made.

4.4 **Minimum and maximum deposits**

You must pay in a minimum deposit within 30 days of opening your account. If you don't make a deposit in this time, we'll automatically close your account without giving you notice. Your account won't be taken into account when calculating your ISA investment allowance for the current tax year and you'll be able to open other ISAs in the current tax year. The minimum and maximum deposit amounts will be detailed on our website.

5 **Statements**

We'll send you annual statements on the anniversary of the opening of your account. We may charge for duplicate statements (details of any charges can be found on the customer support section of our website).

6 **How we'll manage your account**

If any of the information on your application form is not correct or you've opened more than one ISA in a tax year (other than transferring an existing ISA) then your account may no longer be valid. If we find out that for any reason (including due to breaching the regulations that apply to ISAs) your account is no longer valid or will stop being valid at a later date, we'll tell you as soon as possible.

If we ask anyone else to carry out any of our responsibilities on your account (such as processing payments in and out on our behalf), we'll make sure that they are able to do it properly.

7 **Changing your mind**

You have 14 days after opening your account to tell us you want to cancel it. You can do this by calling us. If you cancel, we'll give you back your money and any interest earned on it. Your account won't be taken into account when calculating your ISA investment allowance for the current tax year and you'll be able to open other ISAs in the current tax year. We don't charge for cancellations.

If you do not tell us to cancel the account within 14 days of opening, the account will stay open.

8 **Closing your account**

You can close your account at any time. You can tell us to do this through our Online Banking or Telephone Banking services. We don't charge for account closures.

If you fund your ISA but close it after the 14 day cancellation period without using the ISA transfer process, you won't be able to open another cash ISA with us or another provider in the same tax year.

If, when you close your account, you transfer the money to an account which is not an ISA, it will lose its tax free status.