

Key Features Document

What's this document for?

- The Financial Conduct Authority (FCA) is a financial services regulator. It needs us, Monzo Bank Limited (Monzo/we/us), to give you this important information to help you decide whether opening an investment account with us is right for you. Read this document carefully so you understand what you're buying, and keep it safe in case you need it in the future.
- This document gives an overview of our services, the investment products available to you, risks of investing, the fees you'll pay, and taxes you may need to pay on your investments. We also give details on the features of the two account types we offer - a Stocks and Shares ISA and a General Investment Account (GIA).
- Read this along with the documents for funds you might invest in (including the Key Investor Information Documents (KIID)), and our [terms and conditions](#).

About us and our investment services

- We're authorised by the Prudential Regulation Authority (PRA), and regulated by the PRA and the Financial Conduct Authority (FCA).
- Our registered office is Broadwalk House, 5 Appold Street, London, England, EC2A 2AG. See more information about us [here](#).
- Our investment services are designed for retail customers, and we classify all of our customers as retail investors.
- We provide access to certain funds that have been authorised or recognised as meeting certain standards by the FCA, which means they can be promoted to retail investors.
- Because of the way FCA rules apply to the funds we offer, we don't need to consider whether a given fund is right for you (meaning you don't benefit from the FCA rules on appropriateness).
- If you have a Stocks and Shares ISA, our investment services partner, Seccl Custody Limited, manages your ISA for you. They're authorised and regulated by the FCA.

The aims

- We give you access to a carefully selected set of investments, which each pursue different investment objectives and are intended for long-term investing (at least 5 years, if not more).
- The content in the Monzo app aims to help you understand what's happening when you invest, so you can build your knowledge and confidence, and develop positive investing habits.
- You can invest using two different account types. The aims of each account are:

Account	Aims
Stocks and Shares ISA	With this account, you won't pay capital gains or income tax on gains or income that you make on your investments. We explain this in more detail in the Q&A section below.
General Investment Account (GIA)	This is an investment account which lets you invest in the range of funds we currently offer through the Monzo app. However, unlike ISAs, you may need to pay capital gains and income tax on gains and income you make on your investments. It's your responsibility to pay any tax that's due.

The taxes you pay depend on your circumstances and could change in the future.

You can find further information on tax for Stocks and Shares ISAs and investments on the [HMRC website](#).

Your commitment - using our investment services

- If any of your personal information changes, you need to tell us as soon as you can. **If you move abroad, we may restrict your account or close it completely.**
- Our services and the products we make available focus on long-term investing, so you should be prepared to invest for the long term. This usually means holding your investments for at least 5 years before selling them, if not more.
- If you have a Stocks and Shares ISA with us, you can't contribute more than the annual ISA limit in a single tax year.
- Your ISA may be 'void' if you do, which can affect the tax you need to pay on gains and income you make from your investments.

The risks

General risks when investing

- Before making any investment, you need to understand that every investment involves taking some risk.
- What you get back from investing depends on how your investments perform. And there's no guarantee that investments will always perform well.
- The way an investment has performed in the past doesn't tell you how it'll perform in future. The value of investments, and the income from them, can go down as well as up - so you may get back less than you invest.
- Inflation can affect the 'real world' value of your money and your investments.
- Inflation means that prices of things you buy day-to-day (food, clothes, household bills and the like) rise over time.
- If the value of your investments doesn't go up in line with inflation, you won't be able to buy as much in future with the money you invested as you can right now.

Risks that come with the investment products we offer

- Each investment we offer works in a different way, depending on its aims - for funds, these aims are known as the investment objective. The risks of investing in any given product will depend on its aims, and how they're achieved.
- For funds, documents called Key Investor Information Documents (KIIDs) set out the fund's investment objective, how the fund works to achieve that, and key risks involved. Other products also have similar documentation, which you can read before you invest, setting out how they work and the risks involved.
- The fees you pay to us and the manager of the funds you invest in reduce the return you make on your investments. You can find details about our fees in the [fee information document](#).

If you're unsure about whether to invest in a particular fund, you should get advice from a financial adviser who's FCA authorised.

Cancelling your account within 14 days of opening

- You can cancel your Stocks and Shares ISA or GIA through the Monzo app within 14 days of opening your account. If you cancel, we'll sell the investments in your account and transfer the value to you in cash.
- If the value of your investments has fallen between opening the investment account and cancelling it, you'll get back less than you invested.

- There's no fee for cancelling, but we'll charge you a fee for the services we provide you between the time you opened your account and the time you cancelled it.
- If you cancel an ISA within 14 days of opening it, it's treated as though it was never opened.
- After the cancellation period ends, you can still close your account at any time through the Monzo app.

Making a complaint

- If you want to complain, get in touch with us through the Monzo app. This also applies if your complaint is about Seccl, as the custodian, ISA manager and the person who helps you to invest in the funds offered.
- You can find information on our complaints procedure on [our website](#).
- If you're not happy with how we handle your complaint, you can refer it to the Financial Ombudsman at:
 - **Address:** Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR
 - **Telephone:** 0800 023 4567 (call charges will vary)
 - **Email:** complaint.info@financial-ombudsman.org.uk
 - **Website:** www.financial-ombudsman.org.uk
- Making a complaint won't affect your legal rights, including the right to take legal actions against us.

Getting compensation

- We're covered by the Financial Services Compensation Scheme (FSCS). So you may be able to get compensation from the FSCS if we can't meet our obligations to you. The amount you get will depend on the limit at the time, the nature of the investments and your individual circumstances.
- You can contact the FSCS for more information on compensation at:
 - **Address:** FSCS 10th Floor, Beaufort House 15 St Botolph Street London EC3A 7QU
 - **Telephone:** 0800 678 1100
 - **Email:** enquiries@fscs.org.uk
 - **Website:** www.fscs.org.uk

Questions and answers on Monzo Investments

What's a Stocks and Shares ISA?

Individual Savings Accounts - known as ISAs - are accounts in which you can save (for example, in a cash ISA) or invest (like our Stocks and Shares ISA). The money you

make on your savings or investments in your ISA isn't taxed. With a Stocks and Shares ISA, you don't pay capital gains or income tax on gains or income which your investments make.

HMRC sets a limit on how much you put into your ISA each tax year. You'll see this in the Monzo app. Although there's a limit on what you can put into your ISA, there's no limit on the tax-free gains you can make.

The taxes you pay depend on your circumstances and could change in the future. You can find further information on tax for Stocks & Shares ISAs and investments on the [HMRC website](#).

What's a General Investment Account (GIA)?

It's another type of account you can use to invest - but without any limits on the amount you can put in it each year. Many people use these accounts if they've already reached their ISA limit for a given tax year, and want to keep investing.

Unlike an ISA, you may need to pay tax on any gains or income you make on the investments in this account.

Who can open an investment account with us?

You must be aged 18 or over and be resident in the UK for tax purposes.

We may not be able to offer an account to customers where it would trigger additional HMRC reporting obligations for Monzo.

Can you take money out of your investment account?

You can take money out whenever you want. If we need to sell some of your investments so that you can withdraw your money, it may take a few business days for this to complete. A couple of things to think about before you withdraw:

- Investing is for the long term. So if you keep dipping into the money you've put in your investment accounts, you may not reach your financial goals.
- There are still limits on flexible ISAs:
 - Our Stocks and Shares ISA is flexible. This means you can withdraw money from your ISA, and then put the amount you withdrew back into your ISA without affecting your ISA limit.
 - **But you need to put the money back into your ISA in the same tax year to get the flexibility** - if you take money out in one tax year, and then invest the same amount the next tax year, it counts towards the ISA limit for the next tax year.

What investment products are available within investment accounts?

You can invest in a range of funds within our Stocks and Shares ISA and GIA. The funds we offer have all been authorised or recognised by the FCA as meeting certain standards, which means they can be made available to retail investors.

When you invest in a fund, your money's pooled together with other investors' money. It's used to buy lots of different assets which means things like shares in companies, bonds issued by companies and governments and interests in other funds. The fund value will move up and down in line with the value of the assets that the fund invests in.

The funds we offer invest mostly in other funds, which themselves invest in lots of different things (including shares in companies, and bonds issued by companies and governments). This is known as 'diversification'; investing this way spreads your money across a wide range of assets. It helps to make sure that your fund's performance isn't relying too much on any one investment performing well.

What fees and charges do you pay?

We charge a fee of 0.45% each year, or 0.35% if you're a Monzo Plus or Monzo Premium customer, or if you subscribe to a plan that offers a lower fee on your investments accounts in the terms. This covers the services we offer in the Monzo app, including arranging with Seccl for you to invest in the funds we offer.

You'll also pay fees to BlackRock for managing the funds or other products you invest in. These fees come out directly from each fund you invest in, so a fund's value will be lower to reflect what you've paid. You won't see this fee come out of your investment account. When you choose a fund to invest in, we'll give you an illustration of the fees you'll pay before you invest.

We pay fees to Seccl, our investment services partner, for providing custody of your investments and cash, helping you invest in the funds offered, and managing your Stocks and Shares ISA. We factor in the fees we pay to Seccl when we set the fees we charge you.

Generally speaking, it's not intended that you'll hold cash for any length of time in your investment account. However there may be circumstances where you do (for example it takes a little time for your investment instructions to complete). Seccl may earn interest on cash balances held in your investment account(s) and if it does, it will pay these to charity. If in the future, Seccl decide to pay interest to you, we'll let you know (along with details of the interest rate).

Any interest Seccl pay would be accrued daily and paid monthly in the month immediately following that for which it was accrued. Interest would be calculated on cleared cash balances only.

How will you be taxed on your investments?

Under current legislation and HMRC rules, you won't need to pay any capital gains or income tax on the investments in your ISA. And you don't need to include them in your self-assessment tax return (if you complete one).

You may need to pay tax on gains and income you make in your General Investment Account - it all depends on your individual circumstances. So you'll need to report any income or capital gains you make in this account on your tax return.

This information is only a guide and it's our understanding of tax rules - but these can change at any time. So if you're unsure about how you'll be taxed, you should get independent financial advice.

How do we keep your investments safe?

We arrange for a custodian to look after your investments and keep them safe, in line with FCA rules on client assets and client money. Seccl acts as the custodian for our investment accounts.

[See more information on protection](#) you can get through the Financial Services Compensation Scheme.

Can you transfer existing investment accounts to us?

Yes, you can transfer across a Stocks and Shares ISA held with another provider to us through the Monzo app.

If the investments in that ISA are the same as the ones we offer, we'll be able to accept a transfer of the investments from your previous provider. This is called a 're-registration' or an 'in-specie transfer'.

But if the investments are different to the ones we offer, your current provider will need to sell them first and then transfer the cash to us.

Can you move your investment accounts with us to another provider?

You can move your Stocks and Shares ISA to another provider at any time. If you want to transfer to another provider, you need to ask the new provider to sort the transfer for you.

You can't transfer a General Investment Account to another provider, but you may be able to transfer the investments in it to an account with another provider, if they let you do this. If not, you can instruct us to sell your investments and you can then move the cash into your account with the new provider.

What happens to your investments if you die?

We support the person responsible for taking care of your money to make sure we're taking the right steps to deal with your investment account.

We'll stop any regular payments into your investment account, but we won't make any other changes until the people responsible for sorting out your money ask us to. The investments and any cash in your account will be part of your 'estate' (meaning all of the things you own).

We'll still need to take the fees from your account and your investment value will go up and down. But we won't take any regular payments from your current account.

Under current HMRC guidance, there'll be no tax to pay on the investments in your Stocks and Shares ISA for up to 3 years after you die. If you're married or in a civil partnership, your partner can inherit the value of the investments and cash in your ISA, and put it into their ISA. That amount doesn't count towards their ISA limit.