

# Monzo Investments terms and conditions

## Introduction

These terms and conditions are between you and Monzo Bank Limited (Monzo/us/we) for Monzo's investment services. You agree to them by asking us to open an Investment Account and using our investment services. A copy of this agreement will always be available in the Monzo app.

You should read this along with our Data Privacy Notice, which explains how we use your data.

## How we provide investment services

When you start investing with Monzo you'll open an Investment Account (either a Stocks and Shares ISA or a General Investment Account). You can open more than one Investment Account: for example you can have both a Stocks and Shares ISA and a General Investment Account.

When you look at your investments in the Monzo app though, they'll show as individual 'Investment Pots'. We limit the number of Investment Pots you can create at one time, and the number you can create over the lifetime of your account, to make sure the Monzo app still functions as it should.

We provide some investment services to you directly (the "Investment Services"). Those Investment Services are covered by the legal agreement between you and Monzo which is made up of these terms and conditions and:

- the personal details which you give us when opening an Investment Account on the Monzo app (including details for ISA declarations if you're opening or transferring a Stocks and Shares ISA)
- the [fee information](#) which explains fees and charges for our Investment Services

- the [Key Features Document](#) for your Investment Account
- the [Data Privacy Notice](#)

## Custody and Stocks and Shares ISA services

Some investment services accessed through the Monzo app are provided by a third party we've chosen ("Investment Services Partner"). Our Investment Services Partner is FNZ Securities Limited ("FNZ Securities"), a company authorised and regulated by the Financial Conduct Authority ("FCA"). They'll:

- provide custody of your investments
- act as your ISA Manager, if you take out a Stocks and Shares ISA.

Separate legal agreements between you and the Investment Services Partner are needed for custody services and ISA management. **These are important services, and you should read the [legal agreement with FNZ Securities](#) which sets out the terms which apply to those services.**

## We'll act on your behalf

In entering these terms with us, **you give Monzo authority to enter that legal agreement and act on your behalf as your agent in dealing with the Investment Services Partner.** We refer to the legal agreement with the Investment Services Partner as the "Custody Terms" throughout this document.

**You should consider the following carefully. In particular, as your agent we'll have your authority to:**

- sign the Custody Terms with the Investment Services Partner on your behalf which means that you must comply with the Custody Terms
- accept any changes to the Custody Terms which the Investment Services Partner may introduce - if that happens, we'll tell you what those changes are
- send and receive information and instructions to and from the Investment Services Partner on your behalf
- give instructions to the Investment Services Partner in relation to investments and money in your Investment Accounts, including instructions to move your

investments and money to another custody provider, or to sell your investments and pay the money in your Investment Account to you, or to any third party to whom you owe money in connection with these terms, or the Custody Terms (including the terms that apply to your Stocks and Shares ISA)

- instruct the Investment Services Partner to deduct sums from your Investment Account to pay fees or charges due to us, the Investment Services Partner or any third parties

The Investment Services Partner will accept instructions and information from us as if made or given by you directly. When the Investment Services Partner sends us information, Monzo is responsible for providing that information to you.

The Custody Terms will apply as well as these terms, unless they contradict one another. If that happens, then for the parts where there's a conflict, only the terms for custody and ISA services will apply.

## **What happens if we change our Investment Services Partner**

We may change the identity of the Investment Services Partner, and/or appoint additional investment services partners. If we do, we'll always try to give you enough notice of the change for you to consider it properly, and take any actions you might need or want to take (like moving your Investment Account to another provider).

If we change the identity of the Investment Services Partner, we'll need to instruct the outgoing Investment Services Partner to transfer all our customers' agreements, and all of our customers' investments and money, to the new investment services partner. In entering this agreement with us, you agree that we can give these instructions, and any others which might be necessary, to complete the transfer.

You should contact us if you have any questions about these terms and conditions or the Custody Terms.

## **Eligibility and conditions**

To open and maintain an Investment Account you must:

- be 18 or older

- be resident in the UK
- not be subject to taxes in a jurisdiction which creates tax reporting obligations for Monzo, other than the UK (like the United States of America)
- have a Monzo current account

Our Investment Services aren't right for customers who are in financial difficulties. We'll ask you questions to determine whether you're in financial difficulties when you apply.

You must complete any application form or transfer form, and give us any information we reasonably ask for. You can only use Monzo's Investment Services for personal use.

## Monzo's services

### Services covered by this agreement

Monzo will provide you with a dealing service that lets you buy and sell certain investments. We do this by buying and selling them on your behalf, or arranging for them to be bought and sold on your behalf with third party providers. In both cases, we'll only do this in accordance with your instructions and these terms and conditions.

We'll arrange for the Investment Services Partner to look after your investments and keep them safe (sometimes called custody services). The Investment Services Partner needs to comply with the FCA rules for firms which hold customers' assets and money. You may hold your investments in:

- a General Investment Account; or
- a Stocks and Shares ISA provided by the Investment Services Partner

(each an "Investment Account")

We won't give you any legal or tax advice to do with investments.

### Investments available within Investment Accounts

At the moment, the only type of investment we offer is shares, units, or equivalent interests in funds which the FCA has either authorised or recognised (which means the

FCA is satisfied that they meet certain standards). We might expand our offering to include other investments in future, and you'll see them in the app if we do so.

We can also stop offering a given investment either temporarily or permanently and, wherever possible, we'll tell you before that happens.

## Investment risks

Investing carries risks, including that the value of your investments may go down as well as up. You should make sure you keep enough money outside your Investment Account to cover you for times you need money at short notice.

Make sure you understand the risks involved in investing before opening an Investment Account, or making any investments. The information we give in the Monzo app, including the Key Features Document for your Investment Account, and any documents for specific investment products, set out these risks in more detail.

Read this information carefully before making any investments through Monzo.

## Fees, charges, and interest

Details of our fees and charges are set out in the [fee information document](#).

The amount due for an Investment Account each month will be the sum of the fees due for all Investment Pots in that Investment Account for that month. We'll round the fees due down to the nearest £0.01.

Throughout each month, we calculate the fees due for each day. At the end of the month, we then add together the fees for each day to work out how much you owe for that month, and you'll pay fees once monthly. Our fees will be collected on our behalf by the Investment Services Partner from your Investment Account. We'll be responsible for informing the Investment Services Partner of the deductions that need to be made to your Investment Account to pay fees. You authorise us as your agent to instruct the Investment Services Partner to deduct the amounts due from your Investment Account and pay them to us or any relevant third party. See the [Custody Terms](#) for more details on how the Investment Services Partner collects fees.

As well as Monzo's fees, the providers of the investments in your Investment Pot may also charge fees. For example, fund managers charge a fee for managing the funds you invest in. Information on charges you must pay are set out in the [fee information document](#), which you can see in the app.

We'll give you as much advance notice as we can of any change to the fees you need to pay in relation to investments in your investment account.

If you owe us amounts under this or any other agreement we have with you, we have the right to reduce or pay off debt you owe us using any available funds in your Investment Account, including by selling down investments to generate cash to reduce or pay off that debt. There may be a delay in completing orders you submit if you owe us amounts under this or any other agreement, and we're in the process of selling investments in order to collect fees you owe us.

We don't pay interest on cash balances within Investment Accounts. In the unlikely event that bank interest rates are negative (meaning banks may charge for holding cash with them), the Investment Services Partner may pass on the costs of holding your cash in a client bank account. We'll tell you as soon as we can, including the amount of any costs you'll need to pay, before that happens.

## **Third party benefits**

We may accept fees, commissions and minor non-monetary benefits from third parties ("Benefits") related to Investment Services.

We won't accept any Benefits which benefit us, our shareholders, or our employees unless there's also a tangible benefit to our customers. We'll only accept Benefits if we consider that:

- accepting them can help us give a better service to our customers
- accepting them is consistent with us acting fairly, honestly, professionally and in our customers' best interests
- the additional benefits and/or improved service that our customers get is in proportion to the Benefits we receive

- in relation to any ongoing Benefits, our customers also receive on-going benefits in connection with them
- the Investment Services we provide you are not biased or distorted as a result of us receiving the Benefits
- it's otherwise consistent with the FCA Rules for us to do so.

## Your client classification

We'll treat you as a retail client. This means you'll get the highest level of protection available under FCA Rules.

## How to contact us

You can contact us through the Monzo app.

Email us at: [help@monzo.com](mailto:help@monzo.com)

Phone us on: 08008021281

Or send a letter to: Monzo, Broadwalk House, 5 Appold St, London, EC2A 2AG

## How we'll contact you and send documents

Using the Monzo app, email, phone or mail to your home address, we'll:

- contact you in English  and Emoji 
- send you any agreements, statements and other notices.

We may also send you notifications about your Investment Account through the Monzo app.

If any of your contact details change, including moving abroad, let us know as soon as possible.

Under FCA rules, we need to record communications between you and Monzo which lead to a transaction in an investment. This includes where you contact us over the phone. You have the right to ask for a copy of the records of those communications,

including recordings of phone calls, at any time in the five-year period starting on the date of the relevant communication was recorded.

## **Giving us instructions**

You can give us instructions in relation to your Investment Accounts using the Monzo app. We can (but don't have to) agree to take your instructions in another way as well.

You're responsible for making sure that your device can run the Monzo app (which we'll update from time to time). Sometimes important information won't show correctly on older operating systems. We also can't guarantee that all features in your Monzo app will work as expected on older operating systems.

Keep your phone, PIN and security details safe at all times. If we find any security issues affecting your Investment Account, we'll contact you as soon as possible in the most secure way, using one of our usual channels.

We may act on any instruction that we reasonably believe is from you and is correct, without doing any more checks or investigations. We won't be liable for not following an instruction we don't believe is genuine, a delay in carrying out such an instruction, or for following an instruction which isn't genuine, if we've acted reasonably and in good faith.

We may delay or not carry out an instruction:

- until we can contact you to check and confirm your instruction, if we reasonably believe it's in your interests to do so
- if you don't have enough investments or cash in your Investment Account for us to follow your instruction.

We may refuse to follow an instruction if:

- your instructions are unclear
- we suspect criminal activity on your Investment Account
- we suspect that the instruction was fraudulent or you didn't authorise it
- we suspect unauthorised or fraudulent use of your Monzo current account more generally

- you've missed a payment under any other agreement you have with us (like a loan or overdraft agreement)
- there's a legal or regulatory reason which means we can't lawfully let you use our Investment Services
- you've closed your Monzo current account or switched to a different current account provider.

If we refuse to follow an instruction, we'll let you know as soon as possible unless there's a legal or regulatory reason not to, using one of our usual channels.

## Dealing services

We'll provide dealing services in accordance with:

- applicable legal and regulatory requirements
- the rules of the market where the deal happens (if applicable)
- the [Order Execution Policy](#)

**In entering this agreement, you appoint us as your agent to deal with the Investment Services Partner on your behalf in relation to your orders to deal in investments.** This means we can take actions on your behalf that may be necessary to give effect to your orders.

Where investments you want to buy or sell are traded on a market or exchange, you authorise us to do whatever we need to so that we follow the rules of those markets or exchanges and good market practice.

If you have orders for investments that may be executed outside a trading venue we will tell you (including in these terms - see details on orders to deal in investment funds below). In entering this agreement, you consent to us and/or the Investment Services Partner and its delegates executing these orders.

## Orders & order aggregation

You confirm that you understand and agree that:

- orders relating to funds which aren't traded on a market or exchange will be executed outside a trading venue
- you're responsible for the accuracy of your orders, and you may not be able to cancel or change an order after you've submitted it
- unless we decide otherwise, we'll only accept orders which you submit through the order screens in the Monzo app. This means we don't have to accept or process orders that you try to submit in a different way (such as through the chat function in the app, or over the phone)
- Monzo, the Investment Services Partner, and its delegates (as applicable) may aggregate your order with those of other customers.

Aggregation is where your order to buy or sell an investment is added together with orders from other customers to buy or sell the same investment, and they're all submitted as one large order. Whilst all parties will act fairly when aggregating orders, doing so can sometimes work to your disadvantage.

## **Orders to invest in funds**

We'll process your orders as soon as we can. Each fund has a particular cut-off time for accepting orders. If your order reaches the fund before the cut-off time on a day they accept orders, then your order will be processed the same day.

If your order reaches the fund after that cut-off time, it'll be processed the next business day. It'll take at least four business days for your order to buy or sell interests in a fund to complete. It could take longer if the fund doesn't accept orders on all business days in the UK.

## **Executing orders and fully investing your money**

You agree that we might complete your orders in two or more parts if we need to, to make sure the full value of your original order is invested in line with your instructions.

We'll do this where we can't invest the full cash amount of your order straight away. This could happen if the value of your order (plus any orders aggregated with yours) doesn't equal the value of a whole number of shares in a fund, for example. If, following

aggregation of our customers' orders, there are fractions of a given investment which aren't allocated to any Monzo customer, the Investment Services Partner will hold those fractions.

## **Round-ups and orders**

We may give you the option to 'round-up' spare change from transactions in your current account, and use that spare change to place orders to buy investments within your Investment Account. You can tell us to do that for you in the app. When you turn on the round-ups feature for Investment Accounts, you're authorising us to automatically use that money to create a recurring order to buy investments on your behalf under these terms. We'll try to place recurring buy orders once each week, but there may be times where we can't do so, for example if the value of the round-ups for that week is not large enough to allow us to execute orders efficiently. If that happens, we'll use the spare change rounded up to place a recurring buy order at the next available opportunity.

## **Appropriateness and suitability**

We won't assess the appropriateness or suitability of any particular investments for you. This is because of the type of investments we offer, and because we offer them without giving personalised advice. This means we won't collect details about things like your risk profile, or knowledge and experience of investing, or make any personal recommendation of particular investments to you.

Where you wish to invest in funds which aren't admitted to trading on a market or exchange, we won't assess the appropriateness of those funds for you either. This is because of how the FCA rules on appropriateness apply to the funds which we offer.

That means you won't get the benefit of the protection of the FCA rules and associated legislation on appropriateness. If you're in any doubt about whether a given investment is suitable or appropriate, you should speak to an authorised financial adviser.

## **Custody and client money**

### **How your investments are held**

The Investment Services Partner will hold your investments, and any cash in your Investment Account, under a separate legal agreement - this is the Custody Terms referred to earlier in these terms and conditions, which are attached to these terms. See [Part 2 of the Custody Terms](#) for more detail on how the Investment Services Partner will hold your investments and any cash in your Investment Account. By entering into this agreement with us you give us authority to enter into the Custody Terms on your behalf as your agent. The Custody Terms don't form part of your agreement with Monzo.

If we decide to change our Investment Services Partner, you agree that we may terminate your agreement with them, including the Custody Terms, and enter into a new agreement with a new investment services partner on your behalf. We'll do our best to make sure that any new agreement is on substantially similar terms to the previous agreement.

### **Monzo's control of your investments**

Neither we nor our Investment Services Partner will lend your investments to anyone else or use them to raise finance.

You agree that our Investment Services Partner can use any cash you have in your Investment Account, or sell any investments in your Investment Account and transfer the proceeds to us, to meet liabilities you have to Monzo.

### **Client money**

Where we hold money for you in connection with the Investment Services, we hold it in your Monzo current account only. This means we hold that money as banker and not as a trustee under the FCA Rules dealing with client money. As a result, in the unlikely event that Monzo becomes insolvent, the FCA's client money distribution and transfer rules won't apply to these sums. We'll treat money we hold for you in this scenario in line with the terms and conditions for your Monzo current account, and the relevant regulatory requirements.

When you give us instructions to buy investments, we'll transfer the money needed from your Monzo current account to the Investment Services Partner. Once money reaches your Investment Account, the Investment Services Partner holds it as client money and the FCA rules on client money distribution and transfer rules will apply. See the Custody Terms for more information.

## **Paying into your Investment Account**

You must make payments into your Investment Account from your Monzo current account, and in pounds sterling. Payments must be at least £1 in value.

Payments you make into your Investment Account will be in line with the terms of your current account. You can set up regular payments into your Investment Account, and you can change the amount and date of those payments, or cancel them altogether, at any time. See the time limits for changes to regular payments in the [Terms and Conditions](#) for your current account under the 'Standing Orders' section.

We may reject any payments into your Investment Account where we suspect that you're not the beneficial owner of the amount paid, in accordance with financial crime laws and regulations.

## **Transferring investments into your Investment Accounts**

If you ask us to, we may agree to accept transfers of investments into your Investment Accounts (sometimes referred to as 'in specie' transfers). We may reject a transfer of investments that we haven't agreed to in advance. You may not transfer investments in specie into your ISA account unless these come from another ISA.

If an investment isn't available through us, then we won't be able to accept transfers of that investment into your Investment Account. Where that happens, your previous provider will need to sell your investments before making the transfer, so that they can transfer the sale proceeds to us as cash.

## **Withdrawals from your Investment Account**

You can make a withdrawal in cash from an Investment Pot (whether it's in a General Investment Account or a Stocks and Shares ISA) at any time. Any money you withdraw will go into your Monzo current account.

As long as there's enough in the relevant Investment Account, we'll process your withdrawal request as soon as we can. We'll do this by transferring any cash held in your account first and then, if there's not enough cash available, by selling your investments to generate cash to meet your withdrawal request. This process usually takes four to five business days, but can sometimes take longer. If you have more than one investment in your Investment Account, then holdings will be sold in order of your largest holding to smallest holding in order to generate cash. If we need to sell investments to generate cash to pay fees, then you may not get the full amount you asked to withdraw - the withdrawal amount may be reduced by the fees we collect.

If you want to withdraw an amount which is close to the full value of the cash and investments held in your Investment Account, we can require you to withdraw the full value held in your account. We do this so it's always possible for you to pay fees which have been accrued, but not yet paid.

## **Conflicts of interest**

We'll always try to act in your best interests. In some situations, there's a chance that our interests and your interests, or your interests and those of another customer, will conflict with one another. We have a conflicts of interest policy to deal with these scenarios, in accordance with FCA rules, which is overseen by our Compliance department. A summary of this policy is available [on our website](#).

## **Product information and rights in relation to your investments**

We'll give you information and documents required under FCA rules before you invest, including documents issued by the manufacturers of any fund you invest in through the Monzo app. We'll also give you a Key Features Document for your Investment Account, which contains important information about our services.

We may (but don't have to) seek your instructions on exercising voting or other rights related to your investments. Unless you tell us otherwise, we and/or the Investment Services Partner may exercise those rights ourselves (as long as we're complying with our Conflicts of Interest policy, and applicable FCA rules in doing so). If you have a Stocks and Shares ISA, this term is subject to anything in the terms with the Investment Services Partner which contradicts this.

We'll also tell you what you need to do if you want to exercise any rights attached to your investments in another way.

## Statements and reports

We'll give you reports and statements for your Investment Account in line with FCA rules. You can find those statements and reports in the Monzo app.

## Stocks and Shares ISA

You need to enter into an agreement with the Investment Services Partner for them to serve as the ISA Manager for a Stocks and Shares ISA. [Part 3 of the Custody Terms](#) sets out the terms applicable to ISAs, and is referred to as the "ISA Terms". There's a limit on the amount you can pay into all of your ISAs (including a Stocks and Shares ISA) in a single tax year. This is set in legislation, and may change from time to time. The Stocks and Shares ISA will be a 'flexible' ISA under HMRC rules. This means that, if you make a withdrawal from your Stocks and Shares ISA, you can pay that same amount back in during the same tax year without counting towards the limit on contributions into your ISA for that tax year.

If you've got a Stocks and Shares ISA elsewhere, you can transfer it to us and our Investment Services Partner by asking us to do so in the app. The ISA Terms tell you when you can make transfers into your Stocks and Share ISA too. Once we've collected all of the necessary information, we'll then arrange for that ISA to be transferred to the Investment Services Partner, acting as your agent. They will need to contact your current ISA manager to arrange the transfer, and in entering these terms you're agreeing to them doing that.

In entering this agreement with us, you authorise Monzo to enter the agreement with the Investment Services Partner, including the ISA Terms, on your behalf as your agent.

A copy of the agreement with the Investment Services Partner, including the ISA Terms, is attached to these terms. The ISA Terms don't form part of these terms, or your agreement with Monzo.

## General relationship terms

### Our liability to you

Since you're only allowed to use your Investment Account for personal use, we're not responsible to you for any loss of profit, loss of business, business interruption, or loss of business opportunity. This applies to you using your Investment Account for personal use, as well as if you wrongly use it for commercial or business purposes.

None of these terms affect your legal rights as a consumer. You can find more information on the [Competition and Markets Authority website](#) or the [Financial Ombudsman Service website](#). These terms don't exclude or limit our liability to you where it's against the law for us to do so.

We're responsible to you for any foreseeable loss and damage which we cause to you by breaching the terms of this contract or failing to use reasonable care or skill providing services to you. When we say 'foreseeable', this means we could or should have expected those losses or that damage.

We're not responsible for any loss or damage (direct or indirect) caused by something beyond our reasonable control. We're also not responsible for any loss or damage (direct and indirect) if something was unavoidable despite us using reasonable care and skill to avoid it. This may include:

- hardware breakdowns
- actions or decisions taken to comply with legal or regulatory requirements, or requirements under industry codes or Financial Ombudsman, court or regulator decisions
- delays or failures caused by third party industrial action
- problems with a third party system or network (including power outages)
- data-processing failures.

## Making changes

We can make changes to our fees and charges, the terms of this agreement or the terms of any other agreement which these terms apply to. This includes introducing new charges, changing the level of fees and charges, and charging in a different way.

We may make these changes because of changes to:

- law, regulation, industry codes or Financial Ombudsman, court or regulator decisions
- the cost of providing your account and running our business, for example a change in our cost of funding, technology (including our systems) and service costs
- the way we need to charge for our products or services, for example if we change our prices to make our business more sustainable or profitable
- the banking or financial services system
- to our business, so we can offer products and services in a different way – for example so they're easier to understand, or so they better reflect how our customers want to use Monzo
- our partners or the way they provide their services to us.

We can make changes to these terms and charges that work in your favour for any reason. We can also make proportionate changes for any other balanced and valid reason that impacts us or your Investment Account.

When we tell you about the change will depend on the situation. If we make changes that are favourable to you or required by law or regulation, we'll tell you once we've made them. Otherwise we'll give you at least 30 days' notice and tell you our reasons in the most secure way, using one of our usual channels.

If you don't agree to these changes, you can let us know and we'll close your account fee-free in accordance with the Closing your account section before the changes take effect. If we don't hear from you before the changes come into effect, we'll assume that you're happy and accept the changes we've made.

We also have the right to transfer any of our rights or obligations under these terms and conditions to another company in our group. This means any parent, subsidiary or associated company of Monzo Bank Limited.

## **Cancelling your Investment Account**

You can let us know that you'd like to cancel this agreement, or an Investment Account, within the timelines below. Cancelling is different from closing your account, and it has different consequences. See more details below on closing your account. You can cancel:

- this agreement within 14 days of it coming into effect
- a General Investment Account within 14 days of us confirming to you that the Investment Account is open. If you do, we'll also cancel your agreement for that account
- a Stocks and Shares ISA provided by the Investment Services Partner within 14 days of us confirming to you that the ISA is open. If you do, your agreement for that account will also be cancelled.

You can give notice to cancel using the Monzo app. If you give us notice to cancel a Stocks and Shares ISA, we'll pass it on to the Investment Services Partner.

You agree that we may start providing Investment Services to you before the end of the relevant cancellation period.

If you cancel:

- you'll have no more obligations related to the agreement or account you've cancelled
- we'll arrange for any investments in the relevant Investment Account to be sold
- we'll return the money from that sale to you, minus any fees due up to the point you cancelled (including any costs we have incurred on your behalf)
- we won't charge you a fee for cancelling.

If the value of your investments has fallen between opening the Investment Account and cancelling it, you'll get back less than you invested.

If you cancel all of your Investment Accounts this will also cancel your agreement with the Investment Services Partner.

If you want to cancel a transfer from another ISA manager, see your ISA Terms for more information on how to do so.

If you want to cancel this agreement or an Investment Account after the timeframes set out above have passed, you can still end this agreement or close an Investment Account at any time. See more details below.

## **Closing your account**

Once this agreement has started it won't end until you or we end it. You can cancel this agreement and close an Investment Account as set out in the section titled 'Cancelling' above.

You can also end this agreement or close your Investment Account at any other time by giving us notice through the app. We'll close your account as soon as we reasonably can, but it may take us several business days to finish this process.

When we close your Investment Account, we'll also end your agreement with the Investment Services Partner. This means that when you close your Investment Account, you'll need to give us instructions on how to deal with investments and any cash in that account. You can instruct us to transfer your assets to another provider, or to sell your investments and transfer the cash (less any fees and charges due on the Investment Account) to your Monzo current account. Your agreements with us and the Investment Services Partner won't end until we've completed your instructions, and there are no investments or cash left in your account.

### **When we can close your account**

We can close your Investment Account and stop providing Investment Services to you by giving you at least two months' notice.

We may also close your account or stop you using the Monzo app immediately if you no longer have a Monzo current account or we believe you've done any of the things which mean we can close your current account (which you'll find listed in your Current Account Terms and Conditions), but in relation to your Investment Account.

If there's been no activity on your Investment Account for more than 12 months, and it doesn't contain any investments or any money, the Investment Services Partner may close your account. We'll tell you at least 60 days before we close the account in these circumstances.

Unless we tell you otherwise, if we close your Investment Account we'll sell your investments and return the sale proceeds to you.

We'll transfer the money we get from selling your investments to your Monzo current account. You can instruct us to transfer the money to another bank account in your name, if your Monzo current account isn't available.

### **What happens if you die**

If we receive notice of your death, we'll stop processing payments into your Investment Account. We'll hold the investments in your account until we've received relevant documents and evidence from your representatives, and their instructions on your Investment Account and the investments in them.

If we stop you using the app, or close your Investment Account, this agreement will remain in place until all cash and investments due to you are transferred to you, or to a third party.

## **Complaints**

If you have a complaint, contact us and we'll do our best to fix the problem. If you're still not happy, you may be able to refer your complaint to the Financial Ombudsman Service and/or the Financial Conduct Authority.

## **Information about compensation arrangements**

We're covered by the Financial Services Compensation Scheme ("FSCS"). This means you may be entitled to compensation from the scheme if we can't meet our obligations. The level of compensation depends on the type of business and the circumstances of your claim, and you're covered up to a maximum of £85,000 per person.

See the Custody Terms for details of how FSCS works for services provided to you by the Investment Services Partner.

## **Governing law and jurisdiction**

English law applies to this agreement and disputes will be settled by the courts in the place where you live.

## **Authorisation details**

Monzo Bank Limited, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 730427). Registered in England. Registered No. 9446231.  
Registered Office: Broadwalk House, 5 Appold St, London, EC2A 2AG.

# FNZ SECURITIES LIMITED

## CUSTODY SERVICE TERMS OF BUSINESS

### Introduction

These Terms set out how FNZ Securities Limited will provide you with Custody Services and, if applicable, ISA Services. Please read them carefully as they form part of the legally binding Agreement between you and FNZ Securities Limited and explain your rights and responsibilities. If you have any questions about these Terms or the services that we will provide to you, please contact Monzo.

In line with your Monzo Terms, Monzo has arranged for us to provide Custody Services to you in relation to your Assets. If you open an ISA, we'll also provide ISA Services to you. When we provide Custody Services and ISA Services to you, you will be our client. Where you invest in a SIPP, the Pension Scheme Trustee will be our client. These Services will not be provided by Monzo. You will still be a client of Monzo in relation to the investment services that Monzo provides to you.

There are 3 parts to the Terms:

<b>Part 1</b>	<b>General Terms</b>	sets out how your relationship with us will operate
<b>Part 2</b>	<b>Custody Terms</b>	sets out how we will hold and deal with the Assets in your Monzo accounts
<b>Part 3</b>	<b>ISA Terms</b>	applies if you have chosen to invest through a Monzo stocks and shares ISA and explains how we will provide ISA Services to you

If there is a conflict between the General Terms and the Custody or ISA Terms, we will apply the Custody or ISA Terms. If the ISA Terms conflict with the Custody Terms, the ISA Terms will apply.

### DEFINITIONS

In these Terms certain words and phrases have particular meanings as follows:

<b>Agreement</b>	the contract between you and us, consisting of these Terms (as amended from time to time), any Tariff of Charges that we notify to you and where applicable, your ISA application
<b>Approved Bank</b>	means an Approved Bank (as defined under the FCA Rules) which has been selected and appointed by FNZ Securities in accordance with the FCA Rules relating to Client Money

<b>Assets</b>	the investments and money that Monzo has instructed us, as agent on your behalf, to hold in relation to your Monzo Accounts from time to time
<b>Associate</b>	another company within the FNZ Group
<b>Charges</b>	The fees and charges that you must pay to us under these Terms or any SIPP terms that you enter into, or to Monzo as agreed with Monzo under the Monzo Terms, from time to time
<b>Custody Services</b>	the custody, settlement and associated services that we will provide to you under this Agreement
<b>FCA</b>	The Financial Conduct Authority, 12 Endeavour Square, London E20 1JN or any successor to all or any part of its functions
<b>FCA Rules</b>	the FCA's handbook of rules and guidance (as amended from time to time)
<b>FNZ Group</b>	FNZ Securities, any subsidiary or holding company from time to time of FNZ Securities and any subsidiary of a holding company of FNZ Securities
<b>FNZ Securities</b>	FNZ Securities Limited, a company registered in England (Company Number 09486463) with its registered office at 10th Floor 135 Bishopsgate, London, United Kingdom, EC2M 3TP. FNZ Securities Limited is a company within the FNZ Group
<b>Pension Scheme Trustee</b>	the trustee of the SIPP that, under the trust deed for the SIPP, holds legal title to the Assets held within the SIPP
<b>ISA</b>	the Monzo stocks and shares individual savings account managed by FNZ Securities Limited and where the context indicates, an individual savings account provided by another ISA manager
<b>ISA Regulations</b>	means the Individual Savings Account Regulations 1998, as amended from time to time
<b>ISA Services</b>	means the services that we provide to you in relation to your Monzo stocks and shares individual savings account
<b>Monzo</b>	Monzo Bank Limited, registered in England (Company No. 09446231) with its registered office at Broadwalk House, 5 Appold Street, London, United Kingdom, EC2A 2AG which is authorised by the PRA and regulated by the FCA and the PRA (with firm reference number 730427)
<b>Monzo Account</b>	means the investment account, or accounts, which you have opened through Monzo (including an ISA and a SIPP, where applicable)

<b>Monzo Terms</b>	the terms and conditions between you and Monzo which apply to your Monzo Account, but not including any separate terms and conditions that you enter into with us in relation to the ISA Services and/or a SIPP.
<b>Nominee</b>	our nominee company, or that of a nominee service controlled by a recognised or designated investment exchange
<b>Permitted Investments</b>	means the range of investments which the ISA Regulations permit you to hold within your ISA
<b>Personal Representative</b>	means either: the individuals who have obtained probate, confirmation, letters of administration or their equivalent on your death, or have satisfied Monzo that they intend to, and who have the power to give Monzo competent instructions relating to your estate; or where the above does not apply, the individuals Monzo consider it is legitimate for Monzo to take instructions from regarding your estate, after your death
<b>Services</b>	The Custody Services and, if applicable, the ISA Services that we provide to you under this Agreement
<b>SIPP</b>	A self-invested pension scheme, operated by FNZ Securities
<b>Sub-Custodian</b>	a third party (or its nominee service) selected by us in accordance with the FCA Rules to whom we may delegate the provision of Custody Services
<b>Subscription Limit</b>	means the maximum amount which you can subscribe to an ISA in any Tax Year. You can obtain further information about the applicable Subscription Limit from Monzo or from the HMRC website (currently <a href="https://www.gov.uk/individual-savings-accounts">https://www.gov.uk/individual-savings-accounts</a> )
<b>Tariff of Charges</b>	The list of charges for our Custody Services and ISA Services that we will notify to you and that will apply to this Agreement in certain circumstances that we explain in Part 1 (General Terms) – Charges and fees.
<b>Tax Year</b>	The tax year beginning on 6 April in any year
<b>Terms</b>	These terms of business (as amended from time to time)
<b>we/us/our</b>	FNZ Securities and where expressly stated, our delegates (including our Sub-Custodians) or agents
<b>you/your</b>	a client (or clients (where Assets are held jointly)) of Monzo to whom we have agreed to provide Services in accordance with this Agreement  'you' will, where appropriate, also mean your Pension Scheme Trustee. In these circumstances, the Pension Scheme Trustee will be treated as our client. Where

	this applies, Monzo will give us instructions in accordance with your agreement with the Pension Scheme Trustee as well as the Agreement
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# PART 1 - GENERAL TERMS

## Monzo as your agent

The Monzo Terms set out how Monzo will use our Services on your behalf. We recommend that you read the Monzo Terms carefully as they govern your relationship with Monzo. By agreeing to the Monzo Terms you authorise Monzo, on your behalf as your agent, to:

- enter into this Agreement with us and agree that you will be bound by this Agreement;
- represent you in relation to all aspects of this Agreement and in relation to all the Services that we provide to you;
- to give us instructions in relation to your Assets; and
- accept any changes to this Agreement.

We will accept instructions from Monzo as if they were made by you directly. You should contact Monzo if you have any questions about the Monzo Terms or our Terms.

## Cancellation of all or part of your Agreement

When you open your Monzo Account and enter into this Agreement, you will be given an opportunity to cancel both the Monzo Terms and this Agreement in accordance with the FCA Rules. If we have already invested your money, you could get back less than you put in due to price movements. We won't be able to refund:

- any Charges, costs or taxes incurred by the buying or selling of investments;
- any money you lose if the value of the investments held in your account fall.

You may separately cancel your ISA, within 14 days from the date that you are told that your ISA application has been accepted.

You can cancel the Monzo Terms and this Agreement, or your ISA, by telling Monzo you want to do so. Please refer to the Monzo Terms for further information.

## Our regulatory status

FNZ Securities Limited is authorised and regulated by the Financial Conduct Authority (FRN: 733400). Our conduct in providing our Services to you is governed by the FCA Rules and words used in the FCA Rules will have the same meaning in these Terms as in the FCA Rules.

## Your relationship with us

Under the FCA Rules, you are a direct client of FNZ Securities Limited and we are responsible to you for the protection of the Assets that we hold for you and for the Services that we provide as set out in these Terms.

For SIPPs, we will provide Custody Services to the Pension Scheme Trustee who we will treat as our client under this Agreement. You agree and accept that we may take instructions from the Pension Scheme Trustee in line with the arrangements that you have agreed with them.

If the FCA Rules require an appropriateness or suitability assessment for your investments or transactions, Monzo and not FNZ Securities is responsible for making those assessments. Where Monzo needs to complete an appropriateness or suitability assessment, we will rely on Monzo's assessment. Certain investments don't require an appropriateness assessment under the FCA Rules, and suitability is only relevant where you receive a personal recommendation for specific investments. We will not provide you with advice or a personal recommendation.

When you agree to these Terms you authorise us to transfer money or investments we hold for you from your account to meet your settlement and other obligations to us and the fees and charges you have agreed to pay Monzo.

## Client categorisation

For the purposes of the FCA Rules, we will treat you as a retail client unless we notify you otherwise. Retail clients benefit from the highest degree of protection under the FCA Rules. Although we may treat you as a retail client, you may not be eligible to use the Financial Services Compensation Scheme or the Financial Ombudsman Service unless you meet their separate eligibility criteria.

## Verifying your identity

Before we can open your Monzo Account and at any time we consider necessary whilst your Monzo Account is open, your identity will be verified and certain other information about you will be collected in order to comply with anti-money laundering legislation. If we believe or suspect that processing transactions for you would break applicable law, we may refuse to process those transactions and may carry out further verification and collect further information, to comply with our regulatory obligations. We will pass your details to law enforcement agencies or other bodies if required to do so.

## Instructions, communications and notices

We will communicate with you and accept instructions (including dealing instructions) only through Monzo, who will act as your agent. We will also provide all reports, whether required by the FCA Rules, or requested by you, to Monzo, for onward transmission to you.

We will consider any communications sent to Monzo as your agent as having been sent to you directly. You must give all instructions regarding the Assets that we hold on your behalf to Monzo, for onward transmission to us. The Monzo Terms set out how Monzo will communicate with us on your behalf.

All communications will be in English.

It is your responsibility to ensure that Monzo has up-to-date contact details for you.

## **Charges and fees**

Unless we tell you about any separate Charges for the Services, Monzo will pay us for the Services as your agent and the fees which Monzo charges you will cover the fees we charge for the Services. Please see the Monzo Terms for more details on the fees you pay to Monzo.

If we retain any of your Assets after our agreement with Monzo ceases, or if we need to charge you directly for the Services for any reason (for example because Monzo is unable or unwilling to pay us or is likely to become unable or unwilling to pay us), we will charge you as set out in our applicable Tariff of Charges at the relevant time. We will give you notice of any Charges that you need to pay before we charge you.

You agree to pay us any Charges for the Services that we agree with Monzo as your agent separately in writing or that we notify you of directly.

Each month, you must pay, and you authorise us to deduct, Charges from your account, including by selling investments if there is not enough money in your account to pay any Charges due. We will rely on the information that Monzo gives us about the Charges you must pay and will not be obliged to make any further enquiries as to whether those Charges are correct or valid.

You agree that you will also pay any Value Added Tax (VAT), or any other applicable tax or levy that is due or chargeable in relation to any Charges.

When we buy or sell investments for you, we will incur transactions costs such as third party fees and taxes. We will deduct these transaction costs from the proceeds of any sale or add them to the cost of any purchase where possible. You agree that we may deduct any sums that you owe us in relation to transaction costs directly from your Assets and may sell investments to the extent necessary if there is not enough money in our account to pay any sums due to us.

## **Changes to these Terms**

Where a change is to your benefit or required by law or regulation, we may vary the Terms and our Tariff of Charges at any time by giving you written notice where the proposed variation is not detrimental to you or if it is required by any law or regulation to which we are subject. Such variations may take effect immediately upon us giving you notice, even if you do not consent to them. For any other variations, we will give you at least 30 days' notice in advance

of the change. Where you do not agree to the variation you must tell us (through Monzo) that you want to terminate the Agreement with us before the variation comes into effect.

## **Conflicts of interest**

We, or our Associates, may provide Services or enter into transactions in relation to which we, or our Associates have (directly or indirectly) a material interest; or a relationship with a third party which may involve a conflict of interest or potential conflict of interest with you. We have a Conflicts of Interest Policy and procedures specifically designed to identify and manage such conflicts. We will ensure that such transactions are effected on terms which are not materially less favourable than if the conflict had not existed.

You agree that we may receive from, and pay to, third parties (including Associates) fees, commissions or other benefits, and may share charges in respect of the Services provided to you with third parties (including Associates) and that we are not required to pass on the benefit of such arrangements to you. The amount or basis of any fee, commission or other benefit received by us from such a third party or paid by us to such a third party in connection with a transaction with or for you, and the amount or basis of any charges shared with a third party will be disclosed to you to the extent required by the FCA Rules, and such disclosure may be in summary form only. Further details of our Conflicts of Interest Policy are available on request.

## **Your confirmation and undertakings**

You confirm that you have full power to appoint Monzo as your agent to enter into this Agreement with us, and that the Assets that you hold with us are free from all liens and charges, and you undertake that no liens or charges will arise from any acts or omissions on your part, other than as agreed between us from time to time.

You undertake not to deal, except through Monzo, with any of the Assets held in your account and not to authorise anyone else to deal in any of them.

You confirm that any information which you have provided to Monzo in relation to your status, residence and domicile for taxation purposes is complete and correct, and you agree to provide any further information properly required by any competent authority.

You will notify Monzo promptly who, as your agent, will then tell us if there is any material change in any information you have provided to Monzo, and will provide such other relevant information as we may from time to time reasonably request in order to fulfil our regulatory and contractual obligations. You acknowledge that any failure to provide such information may adversely affect the quality of the Services that we provide.

## Our responsibilities to each other

We, our delegates (including our Sub-Custodians) or agents (and the terms 'we', 'our' or 'us' will include all such parties ) will be responsible to you for any losses that you suffer in relation to this Agreement, as a direct consequence of our negligence, fraud or deliberate default.

We are not responsible for the acts and omissions of Monzo or your Pension Scheme Trustee, or where we have followed the instructions of Monzo or your Pension Scheme Trustee.

Unless we are responsible as set out above:

- where we have acted in good faith but have not correctly executed any instructions that Monzo has given us in accordance with this Agreement, we will restore your account to the position it would have been in had the incorrect transaction not taken place. Once we have done so, we will have no further liability to you; and
- we are not responsible for, and shall have no liability in respect of any losses you suffer as a result of, the default, insolvency or other failure of a third-party bank or settlement agent, depository, clearing or settlement system (or any participant in one of them), or any fund provider or fund provider's agent.

We will not be responsible in any other circumstances for any loss that you suffer including but not limited to:

- because the value of your Assets goes down or you incur any market or trading losses;
- that we could not reasonably have anticipated when Monzo gave the related instruction on your behalf;
- a loss of business, loss of goodwill, loss of opportunity or loss of profit;
- arising from events or circumstances outside our reasonable control. This could include, but is not limited to, delays in executing your instructions, changes in market conditions (including price fluctuations) before your trade is executed, any change in the law, any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis or terrorist action, the suspension or limitation of trading by any exchange or clearing house or any fire, flood or other natural disaster. In such circumstances, our obligations under the Agreement will be suspended pending resolution of the event or state of affairs in question;
- as a result of us relying on any incomplete, inaccurate or misleading information that you or Monzo have provided (and you will reimburse us for any liability, damage, loss costs and expenses that arise from any claims made against us because we have relied on such information); or
- if we fail to take any action which in our opinion would breach any Regulatory Requirement or market practice.

To the extent there is any conflict between this Agreement and our duties under any regulatory requirement or market practice, we will act in a way which we reasonably consider necessary to comply with such regulatory requirement or market practice. We will not be treated as having breached this Agreement as a result.

When we provide Custody Services to you we may use, or open accounts with, brokers, dealers and other counterparties at our discretion and execute transactions ourselves through accounts established for such purposes. Provided we have discharged our regulatory obligations in the appointment and monitoring of such brokers, dealers and counterparties, we are not responsible for any loss that you incur arising from their failure or default.

You undertake to reimburse us (except to the extent that we are responsible as set out above) for any costs, losses or reasonable expenses (including legal costs) and all duties and taxes (other than our corporation tax) (**Losses**) which are caused by:

- any deliberate breach of any of the terms of this Agreement by you, or your providing information to us that is not true or accurate;
- any default or failure by you in performing your obligations to make delivery or payment when due. You agree to compensate us for all claims made against us resulting from your failure to meet your obligations under this Agreement (for example, Losses as a consequence of a bounced cheque or your failure to deliver stock); or
- any defect in title or any fraud or forgery in relation to any investments delivered to us by you or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such.

Throughout Part 2 (Custody Terms) we set out more detailed provisions as to your responsibilities in relation to the trades that we carry out for you. They also provide specific provisions regarding our liability for the acts or omissions of Sub-Custodians in Part 2 (Custody Terms). You should read these requirements carefully.

## Tax

We will not provide any advice or guidance on any tax implications that your Assets may have. Please note that tax treatment depends on your individual circumstances, and the laws of the country or territory in which you are resident, and may be subject to change in the future. You should seek independent professional advice if you have any questions in this regard. You have sole responsibility for complying with any applicable law and the management of your tax affairs. You confirm that you have been and are compliant with all tax declarations and reporting obligations relating to the investments or money held in your accounts and any returns they may produce. You are responsible for any tax liability and reasonable costs (including, without limitation, legal expenses) arising in relation to any tax liability that may be incurred by us in respect of your Assets. Amounts paid to your account may also be subject to withholding tax. We or our Nominee or Sub-Custodian may be required to pass information about you to tax authorities, or deduct withholding taxes from any payments to you. You may be unable to reclaim all or some withholding taxes as your assets will be held in a pooled account.

## Dormant accounts

Where you have not traded on your account for a period exceeding 12 months and we are not holding investments or money on your behalf, we reserve the right to suspend or close your account without notifying you before we do so. We will tell Monzo at least 60 days before we close your account in these circumstances. You may be able to keep your account open if you begin using it to hold investments again.

## Unclaimed Assets

### Unclaimed investments

- In circumstances where we have held your investments in custody for at least 12 years and during that period of at least 12 years we have not received any instructions relating to those investments (and disregarding any payment or receipt of interest, dividends, charges or similar items), then providing we have made reasonable attempts to trace and contact you we may either:
  - (i) pay away those investments to a registered charity of our choice, or
  - (ii) liquidate those investments at market value and pay the proceeds to a registered charity of our choice.
- If we transfer your Investments to charity, we will keep records indefinitely relating to the transactions and attempts to contact you and unconditionally undertake to pay you or your successor or assignee the amount equal to the market value of the Investments at the time such investments were liquidated or paid away to charity if you or your legal representatives contact us and claim those Investments.

### Unclaimed client money

- In the circumstances where we have held a client money balance for you for at least six years following the last movement on your account (disregarding any payment or receipt of interest, dividends, charges or similar items) and providing that we have taken reasonable steps to trace you and return the client money balance to you we may pay away that client money balance to a registered charity of our choice.
- If we transfer your client money balance to charity and the amount is £25 or more, we will keep records indefinitely relating to the transactions and our attempts to contact you and unconditionally undertake to pay you or your successor or assignee an amount equal to the client money balance so transferred in the event that you or your legal representatives contact us and claim the client money balance.

We will not pay any sums to you or your representatives until we have checked your identity.

Attempts to contact you will be made through Monzo in accordance with the FCA Rules and will include: i) making sure as far as is reasonably possible that we have the correct contact details for you; ii) writing to you a reasonable number of times at the last known postal or

email address that we have for you and iii) giving you at least 28 days' notice of the steps that we are about to take if we do not receive a response from you. We may at our discretion use such methods to attempt to contact you as is reasonable for us to employ, including a search of public records or credit reference agency, or by way of public advertisement.

## Data Protection

We will only use your personal information as set out in our Privacy Policy. You can find our Privacy Policy at <https://www.fnz.com/regulatory-disclosures>.

We will not sell, rent or trade your personal information to third parties for marketing purposes.

We may use, store or otherwise process personal information provided by you or us in connection with the provision of the Services for the purposes of providing the Services, administering your account or for related ancillary purposes, including, without limitation, for the purposes of credit enquiries or assessments or the verification of your identity and/or any other actions or enquiries we may be obliged to undertake pursuant to our obligations under applicable anti-money laundering legislation or regulations. In the UK, we operate, and have made all appropriate notifications in accordance with, applicable data protection legislation.

In accordance with data protection laws you are entitled to a copy of the information we hold about you. You should direct any such request through Monzo. You should let us know if you think any information we hold about you is inaccurate and we will correct it.

## Complaints

All complaints should be directed in the first instance to Monzo, who will share it with us if it relates to the Services.

We will try to resolve your complaint as quickly as possible, but in any event, will acknowledge receipt of it within five business days. The acknowledgement will include a full copy of our internal complaints handling procedure. Upon resolution of your complaint, we will send you a final response letter, which sets out the nature of that resolution and any applicable remedy. If for any reason you are dissatisfied with our final response, you may be entitled to refer your complaint to the Financial Ombudsman Service. A leaflet detailing the procedure will be provided in our final response.

### **Financial Services Compensation Scheme (FSCS)**

We are covered by the FSCS. Compensation may be available from that scheme if we cannot meet our obligations to you. This depends on the type of business and the circumstances of the claim:

- most types of investment business are covered for 100% of the first £85,000;
- any money held on deposit with an Approved Bank (as defined under the FCA Rules) will be protected up to the £85,000 per person per firm limit (this means that where we hold your money with an Approved Bank and the Approved Bank fails, any other amounts you

hold with the Approved Bank in addition to the client money that we hold for you, directly or through any other account with the same Approved Bank, will be counted towards this limit).

Further information about compensation arrangements is available from the FSCS' website ([www.fscs.org.uk](http://www.fscs.org.uk)).

## **Delegation, agency, transfer and assignment**

We may delegate any aspect of the Services that we provide under this Agreement to a third party, including our Associates and may provide information about you for this purpose. Any such delegation will not affect our liability to you or our obligation to provide any Services under this Agreement. Separate liability provisions apply in relations to Sub-Custodians as set out at Part 2 (Custody Terms). We do not need to tell you if we delegate any function.

We may employ agents including Associates to perform any administrative dealing or ancillary services to enable us to perform our Custody Services. We will act in good faith and with reasonable skill and care in the selection use and monitoring of agents.

- Subject to the FCA Rules, we may transfer our rights, powers, obligations and liabilities under or in connection with this Agreement to any member of the FNZ Group (the "Transferee") without your specific consent, provided:
  - we have given you at least 30 calendar days' notice (unless this is impractical in the circumstances, in which case we will notify you of the transfer as soon as practicable); and
  - you have not validly given notice terminating this Agreement on a date before the date of the transfer.
- We will only carry out such a transfer if:
  - any cash held as client money will continue to be protected in accordance with the FCA Rules;
  - we reasonably consider that the Transferee is capable of performing this Agreement; and
  - the transfer is not prohibited by law or regulation.
- Upon such transfer taking effect and subject to the FCA Rules, we shall be released from future responsibility to you and you will be released from any further obligation to us under this Agreement and you will be bound by this Agreement (as amended by any written notice) as if the transferee had originally been named in this Agreement as a party to the same instead of us and the transferee will acquire and assume all the rights, powers, obligations and liabilities it would have had, if it had been an original party to this Agreement in substitution for us.

You may not assign or transfer any rights or obligations under this Agreement without our prior consent.

## What happens if you die

If you die, the relevant provisions and procedures in the Monzo Terms will apply as well as the process set out in this section.

Your Personal Representative is responsible for informing Monzo of your death and Monzo, as your agent, is responsible for notifying us.

Upon receiving notification and receiving instructions from Monzo as your agent, we will take steps to sell all Assets in line with these instructions.

Any Charges that apply to your Monzo Account will continue to apply until your Assets are sold and the Agreement is terminated. Where we provide ISA Services to you, you should also note that:

- When Monzo informs us that you have died, the tax advantages of your ISA will remain until the earlier of:
  - the administration of your estate being finalised;
  - the closure of the account;
  - three years after the date of your death.
- If your ISA account remains open more than three years after your death, the next working day after the third anniversary of your death we must remove the tax wrapper from your account which will then become taxable in the hands of your estate.
- No subscriptions may be made (including replacement flexible ISA subscriptions) after your death. However, Monzo may continue to operate your ISA account in accordance with the Monzo Terms.
- If, when you die, you were married or in a registered civil partnership, your spouse or registered civil partner can benefit from a one-off additional ISA allowance (an 'additional permitted subscription'). The amount is equal to either the value of you ISA when you die, or when your account is closed, whichever is higher. The additional permitted subscription does not affect your spouse or partner's own ISA allowance for the tax year and they can apply for the additional permitted subscription even if you leave the Assets in your ISA to someone else. The additional allowance can be transferred to another ISA manager.

Once all Assets have been sold or transferred, this Agreement will terminate.

## Other General Terms

Our obligations to you shall be limited to those set out in the Terms and in particular we will not owe you any wider duties of a fiduciary nature.

If any Term is declared to be illegal, invalid or unenforceable for any reason, that Term will be treated as though it had never been part of our Agreement with you, and will be ineffective, but we may still rely on the remainder of the Term affected or any other Term.

A person who is not a party to our agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its Terms.

If we, at our discretion, choose not to rely on or enforce any of our rights under the Agreement, at any time, this will not prevent us relying on and enforcing those rights at any time in the future. This Agreement will be governed by English law. Any dispute between us will be heard in the courts in the country where you live.

# PART 2 - CUSTODY TERMS

## Introduction

To help Monzo provide its investment services to you, Monzo has entered into this Agreement as your authorised agent, under which we will provide Custody Services to you.

## When our Agreement with you begins

This Agreement will come into effect on the date that we take control of the Assets that we hold for you in order to provide our Services.

## How we will hold your investments

We will act as custodian in respect of the investments that you hold within your Monzo Accounts. This means that these investments will be registered or otherwise recorded in the name of our Nominee, or in the name of a third party Sub-Custodian (or its nominee service). You authorise us, where we reasonably consider it appropriate, to employ Nominees, agents and Sub-Custodians to perform any aspects of the Custody Services and authorise them to do the same, and to transfer your Assets to such third parties.

We will take due care in selecting suitable Nominees, and Sub-Custodians to hold your investments, but will not be liable if any Nominee or Sub-Custodian defaults or becomes insolvent unless that Nominee or Sub-Custodian is an Associate. We will not be liable for any loss arising from default by or the insolvency of any securities depository.

We are responsible for any Nominee service provided by an Associate to the same extent as for our own acts (as set out in Part 1 (General Terms) - Our responsibilities to each other). We will remain responsible for our own default where any Sub-Custodians are used.

We will identify, record and hold all our client's assets (which includes your Assets) separately from any of our own investments and other assets, and in such a manner that the identity and location of your Assets can be established at any time. However, where you have a fractional holding in an investment, we, Monzo or our or their Nominee or Sub-Custodian may retain the corresponding fraction for our or their benefit and you acknowledge and agree that (to the extent permitted by the FCA Rules) legal title to such corresponding fraction may be recorded in the same manner as that in which legal title to your fraction is recorded.

Where your investments are held in the name of a Nominee, that Nominee will hold the legal title to those investments and you will be the beneficial owner. We will keep records to show that your investments are held on your behalf and do not belong to us.

We reserve the right to refuse to accept any particular investment into our custody.

Neither we nor our Sub-Custodians will lend your investments to anyone else or use them to raise finance.

## Pooling of investments

Your investments will be pooled with those of other clients for administrative reasons in an account known as an "omnibus account", but they will be clearly identified as your investments in our records and they will not be used for the account of any other client. **The effect of pooling is that individual client entitlements may not be identifiable by separate certificates, other physical documents of title or equivalent electronic record. If we or a Sub-Custodian defaults, you might not receive your full entitlement and you may have to share in any shortfall in proportion to the value of the investments which we or the Sub-Custodian holds for you with other clients.**

## Settlement

If we do not have the documents or necessary cleared funds in your account, we will not be obliged to settle any transaction or any account on your behalf until we or our settlement agents or, as the case may be, Sub-Custodian, have received all necessary documents or cleared funds. Our obligations to deliver to you, or to your account, or to account to you for the proceeds of the disposal of investments are conditional upon the prior receipt by us of appropriate documentation and cleared funds.

We may operate a settlement system where your account is debited with the purchase costs or credited with the proceeds of sale on the usual settlement days for the market concerned. If the transaction does not settle within the timeframe that we may reasonably specify in accordance with good industry practice, we may reverse the debit or credit entry and will notify Monzo of such reversal as soon as reasonably practicable.

If we have title to any investment under these Terms and must, as part of the settling a transaction, dispose of the title, we may update our records relating to you to show that you no longer own the investment. If the transaction does not settle within the timeframe that we may reasonably specify in accordance with good industry practice, the alteration will, following notice to Monzo, be reversed.

Where we have acted as your agent, it is the other party to the transaction and not us who is responsible for settling the trade with you, and delivery or payment (as the case may be) will be at your risk. Our obligation is only to pass on to you, or to credit to your account, such deliverable documents or sale proceeds (as the case may be) as we actually receive.

We accept no liability for the non-completion of or delay in completing orders where this has been caused by systems failure, market closure or other exceptional circumstances. If an order is not immediately executed, you hereby instruct us not to make that order public.

If we are permitted or obliged to make a payment on your behalf in accordance with these Terms and you do not have sufficient funds in your account in the currency of the payment, you authorise us to convert sufficient cash in your account into the currency of the payment at

the live Spot exchange rate, to enable us to make the payment on your behalf. All of the FX rates applied by FNZS are provided by independent third parties who are entities regulated by the FCA.

Where any payment is made into your account in a foreign currency, you authorise us to convert such payment into Sterling at the prevailing exchange rate.

Currency values and exchange rates fluctuate. Note there may be a currency risk when purchasing investments that are denominated in a currency other than your home-based currency. Under these Terms you will bear the currency risk and may suffer a loss of value in the payment as a consequence of a conversion. We will not be liable to you for any such loss provided we have exercised reasonable care in effecting the conversion.

We may add a margin to any exchange rate that we apply to cover the costs that we incur in processing the exchange. The margin that we apply will never be greater than 1% of the amount being converted.

## Buy-ins

If Monzo instructs us as your agent to sell an investment and, acting reasonably, we are unable to complete settlement of the transaction on the appropriate settlement date (for example, due to market conditions affecting settlement of the transaction), we may as your agent, buy sufficient investments to enable us to complete settlement of the transaction.

You will be liable for:

- any costs we properly incur in relation to any settlement failure; and
- any losses properly incurred (including purchasing the investment at the prevailing market rate).

You will not be liable for any costs or losses we incur in relation to a settlement failure which occurs due to circumstances within our reasonable control or which we could have reasonably avoided.

Where we are reasonably able to, we will attempt to notify Monzo before purchasing any investments but you authorise us to make such purchase if we cannot reach Monzo.

Once completed, we will inform Monzo of the actions we have taken and your liability (as set out above). Monzo will pass this information on to you.

## Stock shortfalls

Stock shortfalls refers to the position where we, providing the Custody Services, identify a discrepancy in the custody records we maintain, or between our records and an appointed third party (for example a Nominee, Sub-Custodian or Approved Bank we appoint) in relation to your investments.

If we find such a discrepancy and we conclude the third party is responsible for this discrepancy which has resulted in a stock shortfall (meaning a shortfall in the number of investments we are supposed to hold for you), we will take all reasonable steps to resolve the situation with the relevant third party without undue delay.

Where we identify a discrepancy that results from or reveals a shortfall for which we are responsible, or during an investigation where we find a third party is responsible then, subject to FCA Rules, we will take one or a combination of the following steps until the shortfall is resolved:

- allocating a sufficient number of our own assets to cover the shortfall, which we will hold in line with these Terms; and/or
- allocating a sufficient amount of our own money to cover the value of the shortfall, which we will hold as Client Money in line with the client money provisions (see below).

## Overseas investments

Where we purchase and/or hold non-UK investments for you outside the UK, the identification and segregation of those investments may differ due to the legal requirements or the nature of market practice in the jurisdiction(s) concerned. We will only hold investments in this way when it is in your best interests to do so or it is not feasible to do otherwise (for example, the nature of the non-UK investment means it needs to be held outside of the UK). **As a consequence of registering your investments overseas they may not be segregated from investments belonging to us or the Sub-Custodian and therefore your protection may be less should a default occur on the part of the Sub-Custodian in whose name the investments are registered or recorded. Investments belonging to you which are held overseas may be subject to different settlement, legal and regulatory requirements than those which apply within the UK. This means that if such an entity becomes insolvent, your Assets may be treated differently from the manner in which they would be treated if they had been passed to an intermediate broker, settlement agent or counterparty within the UK, and the compensation schemes available in the UK may not apply.** We will not be liable for the insolvency, acts or omissions of any Sub-Custodian or third party referred to in this sub-section.

## Corporate actions and voting rights

We will be responsible for claiming and receiving dividends, interest payments and other entitlements accruing (excluding scrip dividends) on your behalf. In respect of fractional holdings, income will be received in respect of whole units, with a corresponding amount being subsequently paid to you on a pro-rata basis to reflect your fractional holding(s), if any.

We will inform Monzo of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights that affect any investments that we hold for you as soon as reasonably practicable after receiving notice of those events.

Through Monzo you may instruct us to:

- exercise conversion and subscription rights;
- deal with takeovers, new issues or other offers, or capital reorganisations; and
- exercise voting rights.

You must provide us (via Monzo) with any instructions by the deadline that we specify when we intimate any such corporate action and we will not be liable to you if we do not receive such instructions in time. Investments which we hold for you on a pooled basis or which consist of fractional units may attract different treatment during corporate actions or other events, and your options may be limited. In such cases any rights or other benefits will be shared among all shareholders whose holdings are affected in proportion to the amount of each shareholder's holding. Any fractional share or unit of that pooled benefit to which you are entitled may have to be rounded down to the nearest whole number, or other fraction that we can hold for you in your account.

Where the amount or value cannot be applied to your account, we may deal with such amounts as we think appropriate, in particular we may make such arrangements for (i) the allocation to all or some of those persons interested in the asset, or (ii) the sale of any fraction, as we believe appropriate in the context of our execution policy. This may mean we pay a cash equivalent of your share to your account. If your entitlement to such a fraction would have a value of £5 or less at the date of distribution to your account, we may pay any such amounts to a registered charity of our choice instead of paying it to you.

Some companies provide benefits to shareholders relating to the nature of their business. These benefits will not necessarily be available to you automatically, as your investment will be registered in the name of a Nominee company.

We will arrange, if you so elect, for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which are held in your account with us. Please tell Monzo if you wish to receive these documents. Please note - you can now also access and review the annual report and accounts for many listed companies online.

## Client Money

All money we hold and deal with on your behalf under these Terms will be held as 'client money' in accordance with the FCA Rules.

Any money which is not due and payable to us and is not otherwise paid to you will be segregated from our own money and held by us in a Client Bank Account at an Approved Bank. Where your money is held in a Client Bank Account it will be held on trust for your benefit. This means, in the unlikely event that we become insolvent, the money held in trust for your benefit would be available to be returned to you. We will hold such money with other client money in a pooled account or pooled accounts at an Approved Bank. This means that client money is held as part of a common pool of money, so you do not have a claim against a specific sum in a specific account; your claim is against the client money pool in general. **Consequently, if an Approved Bank fails, and there is a shortfall, you will share in that shortfall.** For added security and diversity, we may also hold pooled client money with a number of Approved Banks. In the unlikely event that a particular bank becomes insolvent, added protection may be available through the UK's Financial Services Compensation Scheme for eligible deposits. Please refer to the General Terms for further details.

We may, at our discretion (and where permitted under the FCA Rules) also place some of the pooled client money that we hold in a fixed term deposit. FNZS will exercise due skill, care and diligence in relation to the use of any fixed term deposits in accordance with the FCA Rules, and in the normal course of business this should not affect your ability to access money that we hold for you as client money. However, because your money is held as part of a pooled client money account the following risks may affect the client money that we hold for you. We cannot withdraw money held in fixed term deposits until the fixed term expires. This means that the client money held in fixed term deposits will not be available for immediate (or next day) withdrawal by you and the return of such client money would be delayed until the fixed term expires. In addition, we would not be able to move client money held in a fixed term deposit until the expiry of the fixed term and therefore, would not be able to mitigate the risk of any default or insolvency of the relevant Approved Bank which arises during the fixed term period and the resulting deficiency in the client money pool and loss as set out above. By accepting these Terms you acknowledge and accept these risks.

We may earn interest on cash balances held in Client Bank Accounts. We will retain any interest amount that we receive on Client Bank Account balances and are not obliged to pay you interest on the client money that we hold for you, unless we notify you that we will pay interest. If we decide to pay interest to you, we will notify Monzo of the rates payable who in turn will notify you. Any interest payable to you will be applied to your account every month and no later than ten business days following the end of the relevant period. Money held in foreign currencies will not earn any interest. In addition, where less than £20 has accumulated in a three-month period, no interest will be applied.

If we hold money for you and the Approved Bank imposes a charge (negative interest) on that money, you agree that we may deduct that charge from any money we hold for you without seeking your further consent, or alternatively, you will pay us the amount of that charge, when we ask you to do so, or that we may deduct it from money we hold for you. Any negative interest charge will be calculated on a daily basis and applied monthly for the period that we hold the money at the rate imposed by the Approved Bank.

On occasion, it may be necessary or appropriate for your money to be held in a Client Bank Account at an Approved Bank outside the UK or for it to be passed to an intermediate broker, settlement agent or counterparty located in a jurisdiction outside the UK. In such circumstances, the legal and regulatory regime applying to the Approved Bank, intermediate broker, settlement agent or counterparty will be different from that of the UK, and in the event of failure of any such party, your money may be treated in a different manner from that which would apply if it was held in the UK as 'client money' in accordance with the FCA Rules. We do not expect such instances to arise in the ordinary course of business, and will exercise due skill, care and oversight in selection and use of such non-UK Approved Bank.

## **Client reporting and statements**

Where you ask Monzo to execute a transaction for you Monzo will provide you with a confirmation statement (or 'contract note') setting out (amongst other things) the amount you will receive or pay on settlement.

We will also provide Monzo with a custody statement detailing your Assets held by us on a quarterly basis which Monzo is responsible for passing onto you.

All other client reporting required under the FCA Rules will be the responsibility of Monzo.

## **Our rights over your Assets**

You have authorised us to pay all Charges and other sums due under this Agreement.

You promise to pay all sums due under this Agreement and grant us a first security interest over any and all cash, investments, documents of title, certificates and other assets of yours, whether in sole or joint names or otherwise, which are held by or registered with us or our agents or a Sub-Custodian or Nominee, as continuing security for the discharge of all your obligations (including any charges, claims or costs) made or incurred by us under this Agreement and that we may, without prior notice, realise sufficient of such cash or investments to meet such obligations.

You agree that you will not withdraw or seek to withdraw any property which is subject to the above security interest or in any way encumber, assign, transfer or deal with such property without our prior consent.

You hereby grant us rights of lien and set-off over any property which is subject to the above security interest. This means that any obligation on our part to deliver any investments or other assets to you or make any payment to you or perform any other obligations for you under the Agreement shall be subject to your performing all obligations that you owe us under the Agreement. Our security interest will not be affected in any way by any indulgence or relief given by us.

Any obligation on our part to deliver any investments or other assets to you or make any payment to you or perform any other obligations to you under this Agreement shall be subject to your performing all obligations that you owe us under this Agreement.

You agree and acknowledge that a Sub-Custodian may have or be granted security interests, set-off rights, powers of sale and/or liens over any of your Assets held by the Sub-Custodian to recover debts that relate to one or more of our clients or to the provision of services by the Sub-Custodian to one or more of our clients. You hereby agree and consent to the creation of such interests, rights, powers and/or liens (provided this is in accordance with the FCA Rules or otherwise where this is required by applicable law in an overseas jurisdiction in which your Assets are held) and to the exercise and enforcement of the same by any Sub-Custodian. Central securities depositaries, securities settlement systems or central counterparties may have security interests, set-off rights, powers of sale and/or liens to facilitate the clearing or settlement of your transactions by us in order to recover debts that relate to the provision of services to one or more of our clients.

## Power to sell, close out or reclaim investments

Subject to the FCA Rules, if, at any time, we have reason to believe that you may be unable or unwilling to meet any liabilities which you have incurred to us or which may have been incurred on your behalf or to comply with any other obligations under this Agreement, we shall be entitled (and are irrevocably authorised by you) to take any or all of the following actions:

- sell investments bought on your behalf but for which you have not paid on or before the relevant settlement date;
- close open sold positions (by buying investments or otherwise) in the event that the relevant securities have not been delivered by you on or before the relevant settlement day;
- sell any securities held or registered by us in or in a Nominee or by a Sub-Custodian to our order or acquired on your behalf; and
- take any other steps we may consider necessary or appropriate meet any obligations which you may have to comply with under this Agreement or otherwise to protect our position.

We may reclaim from your account any payment we have made to which you are not entitled.

## Ending this Agreement

Monzo, acting as your agent, may close your account with us and end this Agreement, as set out in the Client Terms. We will accept their instructions as if made by you.

If Monzo ends this Agreement, any Assets that we hold will be re-registered, transferred or sold at the direction of Monzo in accordance with the Monzo Terms. We will be entitled to treat such instructions as your express consent to deal with your Assets as directed by Monzo and will not need to obtain your consent before we act on such instructions.

If we do not receive instructions as to how to transfer your Assets within 30 days of notification from Monzo of your intention to end your agreement with Monzo and us, we may sell your investments and forward the proceeds (together with any Client Money that we hold for you), minus any amounts due to us, to your Monzo Account; unless we are prevented by law from doing so.

If Monzo agrees to transfer its business to a third party and our agreement with Monzo ends, Monzo may instruct us to transfer in bulk all Monzo client agreements (and all of the assets held under those agreements), including our Agreement with you and your Assets, to another custodian (and ISA Manager if applicable) (a **Bulk Transfer**). We will be entitled to rely on the instructions from Monzo to do so without seeking your consent.

Where we are instructed to transfer client money as part of a Bulk Transfer:

- the receiving custodian is required, at your request, to return such money to you as soon as practicable in accordance with the FCA's client money rules; and
- unless the amount of money in your account is £25 or less (if we categorise you as a retail client) or £100 or less (if we categorise you as a professional client) the money will be held in accordance with the FCA's client money rules; or if it will not be so held, we will exercise all due skill, care and diligence in assessing whether the person to whom the client money is transferred will apply adequate measures to protect these sums. For the avoidance of doubt, any person who will hold your money as a deposit-taker authorised by the Prudential Regulation Authority will be deemed to offer adequate protection.

If our agreement with Monzo ends other than as a consequence of Monzo's instructions to us as explained above, we will take steps to close your account and terminate our Agreement. Before we do so, you will be given at least 30 days' written notice and we will either follow the process set out above in relation to your Assets or, if Monzo is insolvent, we may communicate directly with you regarding re-registration, sale or transfer of the Assets we hold for you as custodian. If you do not provide us with instructions as to how to transfer your Assets within 30 days of your receipt of written notice that we are closing your account and terminating our Agreement, we may sell your investments and forward the proceeds (together with any Client Money that we hold for you) minus any amounts due to us to you using the latest account details we hold for you, unless we are prevented by law from doing so.

When we close your account and terminate this Agreement, you agree that you remain responsible for ensuring that any fees or costs payable under this Agreement which have not yet been paid are met and that these may be deducted from your account or paid to us before we close your account. These could be Charges payable to Monzo, to us or to a third party. Any cancellation or termination is subject to the settlement of any outstanding transactions and the payment of any related charges and other amounts due.

If, for any reason, we are required to continue to hold any of your Assets when we close your account, this Agreement will continue to apply to those Assets, with the exceptions that i) we will be entitled to communicate with you directly in relation to those Assets; and ii) we may apply a charge (as set out in our Tariff of Charges) to your account because we are required to continue to hold these Assets. If this situation arises, we will make reasonable efforts to let you know, but you agree that we may apply the relevant charges to your account, whilst we try to contact you and if we are unable to contact you.

Our Agreement with you, and your and our rights and obligations under this Agreement, will end when your Assets are transferred from your FNZS account but shall be without prejudice to the rights and obligations that you or we have accrued up to the date of termination.

References in this Agreement to Monzo shall be interpreted as including references to it where it is subject to insolvency. We may rely upon any instructions or communications given on behalf of Monzo by any person acting on its behalf in connection with that insolvency, such as any insolvency practitioner appointed in relation to it.

## Part 3 – Monzo stocks & shares ISA

### Introduction

FNZ Securities Limited is the ISA Manager of the ISA. We will manage your ISA as required under the ISA Regulations. We may claim for tax relief relating to your ISA and the ISA Assets that you hold. You will be our client when we provide ISA Services to you. These additional ISA Terms apply if you have chosen to invest through the ISA. The General Terms and Custody Terms will also apply where we provide ISA Services to you.

The ISA is a flexible stocks and shares ISA although cash is a Permitted Investment in the ISA.

### Opening an ISA

To open an ISA, you must be over 18 years of age.

When you apply to open your ISA you will be asked to confirm that:

- you have not exceeded the overall annual Subscription Limit for the current Tax Year; and
- you are resident for tax purposes in the United Kingdom or a Crown employee serving overseas, or married to or in civil partnership with a Crown employee serving overseas.

These ISA Terms take effect if we accept your ISA Application. This normally happens on the day we receive it but we can reject an application. We open your ISA when we accept your ISA application and payment.

You are responsible for determining whether or not you are eligible and you must make sure you give us all the information that we ask for. If you do not do so within 30 days of these ISA Terms coming into effect your ISA will become void.

You may not open an ISA jointly with anyone else.

### Ownership of your ISA Investments

Your ISA Assets will be, and must stay in, your beneficial ownership and must not be used as security for a loan.

### Payments into your ISA

You may make payments into your ISA as set out in the Monzo Terms where you can also find details of the minimum and maximum payments that we will accept.

If you do not make any payments into your ISA in a Tax Year and you wish to make payments in a subsequent Tax Year, you must make a new application before we can accept further payments.

## Transfers by you

### Transfers out

- You may transfer your ISA to another ISA manager by asking the new provider to request the transfer. You will need to complete the process and any paperwork which your new ISA manager requires. We cannot effect the transfer until we are told that this has been done.
- Your subscriptions in the current Tax Year may only be transferred as a whole. At the same time, you may also transfer the whole or any part of your Subscriptions in other Tax Years.
- Where we receive an instruction to transfer your Assets we will try (but will not be bound) to do so within the time period stipulated but, in any event, will effect the transfer with a period of no more than 30 days from receiving your instructions. This period may be extended by up to 7 days, if your investments include units and/or shares in funds which have suspended dealing in accordance with the FCA Rules.

### Transfers in

- We will accept transfers into your ISA provided that the proposed transfer complies with the ISA Regulations. We may refuse to accept any transfer in at our discretion.
- We will confirm whether we will accept a transfer of assets from another ISA manager once we have confirmed, to our reasonable satisfaction, that the transferring assets are Permitted Investments that comply with the ISA Regulations.
- Once you have instructed a transfer of assets, you may not trade with those assets until they have been transferred to us and our Nominee holds title to the investments.
- You can only transfer assets to us by re-registration (known as 'in-specie' transfer) if they currently sit within another ISA and we offer those assets within the ISA. If you transfer assets to us by re-registration, those assets will appear within your ISA when the re-registration is complete. If a transfer by re-registration is not possible, your investments will need to be sold and the cash proceeds transferred.

## Transfers by us

We may in certain circumstances (for example where we decide to stop acting as ISA Manager, to transfer all or part of our business to an Associate, or our arrangement with Monzo to provide the ISA comes to an end) arrange a bulk ISA transfer of our ISA clients. This means that we may transfer your ISA to another ISA manager that we or Monzo have chosen. We will only do so if we are satisfied that the terms on which that ISA manager will

provide services to you are no less favourable than our Terms in any material way. We will write to you before we transfer your ISA and you will have the right to object to the transfer and close your ISA or transfer it to another ISA manager of your choosing.

Where we transfer your ISA to another ISA Manager, our agreement to provide custody services to you in relation to your ISA Assets will end.

Where we transfer client money as part of a bulk ISA transfer we will do so as explained in Part 2 (Custody Terms) – Ending this agreement.

## **Permitted Investments**

The ISA Regulations specify that only certain types of investments may be held within an ISA.

We may, at our discretion, refuse to buy or accept by way of transfer, any investments which are not acceptable under the ISA Regulations. If any investment stops being acceptable for these purposes we will give you the option to sell the investments (in accordance with the Monzo Terms), or transfer them to another Monzo account (if the investments are permitted for that account).

If we do not receive your instructions within the time limits that we set, we will sell the investments in accordance with our Agreement and credit the proceeds of sale to your ISA account.

## **Ownership and custody of Assets**

We will hold the assets within your ISA as set out in Part 2 (Custody Terms).

## **Trading**

You must sell or purchase any investments within your ISA as set out in the Monzo Terms and our Terms.

## **Income**

Income arising from your ISA investments will be collected and credited to your ISA account as money when the income is received by us. We will not reinvest this money unless you instruct us to do so.

Dividend income from your investments and interest on money within your ISA do not count towards your Subscription Limit.

## **Withdrawals**

You should contact Monzo if you wish to make withdrawals from your ISA.

In order to meet your withdrawal request, we will first draw upon uninvested money in your ISA. If you do not have sufficient money in your ISA account, you must tell us which Assets you want to sell in order to raise the money necessary to cover the withdrawal. If you do not do so, we will not be able to satisfy your withdrawal instruction.

If you instruct us to withdraw all the money in your account, we will deduct any applicable charges before doing so.

Because the ISA is a flexible stocks and shares ISA, you may make withdrawals and subsequently reinvest money up to the value of the withdrawal without the reinvestment counting towards your ISA Subscription Limit. By way of illustration, if your Subscription Limit is £20,000 per annum and you: i) pay in £10,000, then ii) withdraw £5000, then iii) pay in £7,000, you will be treated as having contributed £12,000 rather than £17,000.

## Charges

Charges in relation to your ISA Assets will be applied as set out Part 1 (General Terms) - Charges and Fees.

## Moving abroad

You must tell us immediately (via Monzo) if you move to live outside the United Kingdom or are no longer tax resident in the UK.

After you cease to be UK tax resident, you may contribute to your ISA up to the ISA investment limit for the then current tax year but you may not contribute to your ISA in subsequent years until you become UK tax resident again. Whilst you not tax resident in the UK, your ISA can still benefit from the applicable tax regime, and you may still transfer your ISA to another ISA manager. However, the laws of the country or territory in which you are resident may affect your rights and tax liabilities in relation to your ISA, and you should seek professional advice if you have any questions in this regard.

## Voiding and repair

We will tell Monzo if a failure to satisfy the provisions of the ISA Regulations makes, or will make your ISA void (invalid).

If we receive notification from HMRC to either repair or void your ISA we will tell Monzo as soon as reasonably possible. HMRC will tell us what action to take and we will carry this out if your ISA becomes void.

If it is not possible to repair your ISA, your ISA Assets will lose their tax exempt status. In these circumstances, we will ask for further instructions from you through Monzo.

If we have to take action to repair your ISA or to transfer Assets from a void ISA into another account/or elsewhere, you must pay us any charges that we incur in doing so.

## Closing your account

You may withdraw your ISA Assets and instruct us to close your ISA at any time. If you close your ISA and have subscribed to it during the current Tax Year, you cannot then open and subscribe to another individual savings account in the same Tax Year.

We may close your account:

- if your ISA is deemed void under the ISA Regulations;
- on a direct instruction from HMRC;
- on at least 60 days' written notice (we will give you more notice if reasonably practicable); and/or
- if you die, in which case, the provisions in Part 1 (General Terms) – What happens if you die - will apply.

If we close your account we will assist you to re-register your ISA with another ISA manager and will not charge a fee to do so. We may close your account without notice if we have to do so for legal or regulatory reasons.