

# SECCL CUSTODY LIMITED

## SECCL PENSION TERMS

### Introduction

These Seccl Pension Terms set out how Seccl Custody Limited ("Seccl") will provide you with investment dealing, custody and SIPP services.

In line with your Monzo Terms, Monzo has arranged for Seccl to provide these services to you. These services will not be provided by Monzo. You will still be a client of Monzo in relation to the services that Monzo provides to you.

You will be asked to agree to the Seccl Terms expressly in the Monzo app. But if you do not do so, your use of the Monzo investment service will be considered as your agreement to the Seccl Terms. Any actions undertaken via the Monzo app which fall within the services described in the Seccl Terms will be considered to have been agreed by you.

When Seccl provides its services to you, you will be Seccl's client. Please read the Seccl Pension Terms carefully as they form part of the legally binding agreement between you and Seccl and explain your rights and responsibilities. If you have any questions about the Seccl Pension Terms or the services that Seccl will provide to you, please contact Monzo.

There are 3 parts to the Seccl Pension Terms:

<b>Part 1</b>	<b>Investment Dealing Terms</b>	sets out how Seccl will buy and sell Assets in your Pension Account
<b>Part 2</b>	<b>Custody Terms</b>	sets out how Seccl will hold the Cash and Assets in your Pension Account
<b>Part 3</b>	<b>SIPP Terms</b>	applies to your Pension Account generally

If there is a conflict between the Investment Dealing Terms and the Custody or SIPP Terms, Seccl will apply the Custody or SIPP Terms. If the SIPP Terms conflict with the Custody Terms, the SIPP Terms will apply.

In the Seccl Pension Terms, words with initial capitals are defined in Schedule 1.

### Part 1 Seccl Investment Dealing Terms

#### 1. Cash Balance

- 1.1. If the Cash in your Pension Account is below the amount required to meet any fees and charges, Seccl will sell part of your Assets held within your Pension Account to meet the fees and charges.
- 1.2. Seccl will not accept any liability where a sale under clause 1.1 above is made at a disadvantageous time or if you incur any tax liability.
- 1.3. Where Seccl is required to sell Assets under clauses 1.1, Seccl will:

- 1.3.1. sell enough Assets to meet the relevant fees and charges. If there are restrictions imposed on the number of shares/units which may be sold at one time, then the number of shares/units sold may be significantly higher than is required;
- 1.3.2. sell sufficient Assets from the largest available daily traded Asset holding, which may include Assets which have been restricted. Where insufficient daily traded Assets are held, we will sell from the next largest available Asset holding and so on;
- 1.3.3. sell the entire holding if we would be required to sell more than 95% of a holding;
- 1.3.4. only sell holdings in whole shares/units and round up to the nearest share/unit.

## **2. Buying and Selling Assets**

- 2.1. Monzo offer a variety of Assets for you to invest in that may vary from time to time including:
  - 2.1.1. Funds;
  - 2.1.2. Exchange-Traded Assets.
- 2.2. Not all of the Assets available are always available on all Pension Accounts.
- 2.3. There are risks associated with investing which depend on the Assets you choose. For more detailed information please refer to the Monzo Key Features Document as well as the relevant documentation for your chosen Assets, such as a Key Investor Information Document. You are responsible for ensuring that any Assets that you choose are suitable for you and that you are eligible to invest in that Asset. The fact that an Asset is available does not imply that the Asset is suitable to your needs.
- 2.4. Monzo may add or remove the Assets available to you through the app.
- 2.5. Monzo does not carry out execution, clearing or Settlement of transactions to buy or sell Assets through the Monzo app, but have arranged for Seccl to provide these services to you. You therefore have a direct relationship with Seccl for execution, clearing and Settlement, governed by these Investment Dealing Terms. It is important that you read these Investment Dealing Terms carefully as they are legally binding on you and create direct contractual rights and obligations between Seccl and you. By applying for a Pension Account, you consent to the appointment of Seccl and the Seccl Terms (including the Investment Dealing Terms).

## **3. Instructing Seccl to buy or sell Assets**

- 3.1. Order instructions to buy or sell Assets must be provided in the Monzo app. Once Monzo has received your order instructions, Monzo will transmit them to Seccl.
- 3.2. Orders placed through the Monzo app may be sent automatically to an execution venue without being considered by any member of Monzo's or Seccl's staff.
- 3.3. You agree that Monzo is authorised to provide Seccl with instructions on your behalf.
- 3.4. Instructions to buy and sell Assets on your behalf will be transacted directly by Seccl with the third party concerned (such as a Fund manager), in accordance with Seccl's Order Execution Policy at Schedule 2. By applying for a Pension Account you consent to Seccl's Order Execution Policy, which is designed to ensure that Seccl obtains the best possible result for you in accordance with Applicable Law.
- 3.5. Seccl will exercise all reasonable professional care in the execution of deals and selection of brokers, banks and other third parties whom Seccl may from time to time instruct and neither Monzo nor Seccl shall incur any liability whatsoever to you for any loss or diminution in the value of Assets as a result of their actions unless we fail to do so. If Monzo or Seccl make an error, we will correct your Pension Account accordingly and in a manner which will be fair to you.
- 3.6. As explained in Seccl's Order Execution Policy, you authorise Seccl to execute transactions on your behalf outside of an UK regulated market (such as a stock exchange or multilateral trading facility) where appropriate.
- 3.7. Some orders may be aggregated and a bulk deal placed. Seccl's Order Execution Policy governs the placement of such deals. When orders are disaggregated, there may be penny rounding differences which cannot be allocated at a Client level. Where this occurs, Seccl will pay any such roundings to a registered charity annually.

- 3.8. You may be able to cancel an unexecuted order on your Pension Account via the Monzo app. However, please note that there may be a slight delay between the order being executed and it then being removed from the list of pending deals on the Monzo app. It may not therefore always be possible to cancel an order shown as pending. And in that case, you may have to buy or sell the Asset again and you may not get back the original value of your investment.
  - 3.9. Seccl may cancel a transaction without notice where it is believed there is a valid reason, including where Seccl are requested to do so by a third party involved in executing a transaction such as an exchange (like the London Stock Exchange) or a counterparty. Seccl will not be liable for any loss you incur as a result of such circumstances.
  - 3.10. Seccl reserves the right to reject an order. For example, levels of trading are actively monitored and acceptance of orders from Clients who have a history of excessive trading or whose trading has been disruptive may be refused.
  - 3.11. Certain Assets may have a minimum trade value. Consequently, a trade placed for less than this amount will be rejected, and we will inform you through the Monzo app.
  - 3.12. You can instruct Seccl to 'raise a trade' based on the end of day price of the asset of the preceding Business Day, up to a maximum of 80% of the asset value. At the point that the trade executes, if you have insufficient units/shares to raise the requested amount, based on the current day's price, the trade will not be executed. In this scenario you will be required to re-request the trade based on the new prices. Seccl will only require the trade to be re-requested if the difference in the price at the point of execution is greater than 20% from when the trade was instructed.
  - 3.13. Seccl reserve the right to remove the 'raise a trade' feature or change the maximum price variance at which a trade needs to be re-requested/re-booked.
  - 3.14. You are not permitted to trade to take advantage of "market timing". This covers circumstances where, for a short period, Asset pricing does not yet reflect a potentially significant market impact. For example, a Fund with a Valuation Point of 12pm UK time may allow for trading in other time zones before being re-priced. Seccl will discuss suspected market timing activity with relevant third parties (such as Fund managers and stockbrokers) and adjustments may be applied after trades to account for major market movements.
  - 3.15. Where there is a need to fulfil due diligence under FCA or UK anti-money laundering legislation Seccl reserve the right to defer Settlement. Monzo may also ask you for additional documentation if required by Monzo, Seccl or third parties under UK anti-money laundering legislation and guidance.
  - 3.16. For Exchange-Traded Assets, Seccl can only deliver Assets or the proceeds of a sale to your Pension Account when Seccl has received these Assets or sale proceeds from the other party to a transaction. Due to the time it takes for some transactions to Settle in certain markets outside of the UK there may be a delay as to when Seccl receives sale proceeds.
  - 3.17. For Funds, Seccl delivers Assets or the proceeds of a sale to your Pension Account when the trade Settles.
  - 3.18. The proceeds of the sale of an Asset will usually only be paid to your Monzo current account. In some instances, Seccl may agree to pay the proceeds to another company appointed by you to act on your Pension Account, for example an FCA regulated company or a solicitor that operates a client money account.
  - 3.19. Seccl will place any order in good faith and will assume you have understood that money placed in Assets outside the UK regulatory regime may not provide the same protection as UK Assets.
  - 3.20. Seccl's policy in respect of the use of proceeds from the sale of Assets is as follows:
    - 3.20.1. Cash proceeds from confirmed (but not Settled) sales can be used to buy new Assets.
    - 3.20.2. New Asset purchases which have been confirmed (but not Settled) can be sold.
- Seccl reserves the right to vary any aspect of the above policy without notice.

- 3.21. Seccl has discretion to apply Cash to a Pension Account on a day other than a Business Day. After you have made your investment, Seccl may have to adjust your holding (for example, on the basis of instructions received from a Fund manager or counterparty).
4. **Buying and Selling Funds**
  - 4.1. Once cleared Cash is available in your Pension Account, Seccl will try to place any trades within the next two Valuation Points. For some Funds the next available Valuation Point may be later than one Business Day after the order has been placed.
  - 4.2. Some Funds available on the Monzo app are dual priced. The price Seccl trades at for these Funds may be different to the price listed at a particular point in time on the Monzo app. It is your responsibility to research the pricing of any Funds you select.
  - 4.3. Fund managers may automatically correct pricing errors and not inform Seccl if it is below 0.5% of the Fund value. There may be some occasions when your order is sold at the erroneous price and the Fund manager will not correct the price.
  - 4.4. Some Fund managers will only accept purchases or sales to the nearest decimal place as specified by them. In such circumstances there may be small residual amounts of Cash which will be retained within your Pension Account.
  - 4.5. Settlement of a Fund sale will take place on the intended Settlement date at the point of execution.
  - 4.6. Please speak to Monzo for more information on specific terms relating to Fund trading and pricing.
5. **Buying and selling Exchange-Traded Assets**
  - 5.1. Settlement of Exchange-Traded Asset transactions will be undertaken via CREST. CREST is the computer-based system which enables Assets to be held and transferred in un- certified form and which is operated by Euroclear. Each CREST transaction will normally be Settled no later than two Business Days after the transaction date and following receipt of all the required documentation.
  - 5.2. Some Exchange-Traded Assets may only be traded to a 'lot size' specified by the issuer.
  - 5.3. Seccl cannot accept trades that do not Settle in sterling in CREST. Overseas Exchange-Traded Assets available on the Monzo app must have an arrangement with CREST that allows them to be Settled in sterling. If a foreign exchange rate is applied to a trade, this rate will be provided by the relevant third party at the point of execution of the trade.
  - 5.4. Prices of Exchange-Traded Assets displayed within your Pension Account reflect the latest daily and end-of-day prices respectively. Some Exchange-Traded Assets price less frequently (for example monthly). These prices should therefore only be used as an indicative price.
  - 5.5. Seccl will actively monitor Asset price movement and apply controls such as price tolerance checking. For example, where Asset prices move by greater than 5% from the previous Valuation Point.
  - 5.6. Seccl will not:
    - 5.6.1. deal in suspended Exchange-Traded Assets;
    - 5.6.2. accept short positions; or
    - 5.6.3. undertake stock lending.
6. **Auto-invest Option**
  - 6.1. You can make regular monthly contributions that can be auto invested. The minimum is £1.
  - 6.2. Regular contribution instructions and auto investments will continue to be executed until varied or stopped by you via the Monzo app.
7. **Withdrawals and transfers from your Pension Account**
  - 7.1. Any withdrawal or transfer requests are subject to the settlement of any outstanding investment order(s), tax liabilities, and Charges. If Seccl does not know how much the tax, Charges or other amounts will be, it may retain an amount of Cash that it feels is reasonable and appropriate. Any remaining Cash will then be paid to you or transferred out.

- 7.2. You may be able to transfer out the cash value of your existing Assets with us or the existing Assets themselves to another provider (via an In-Specie transfer or re-registration).
- 7.3. The ability to re-register Assets will depend on the receiving provider offering the exact same assets and share classes in the receiving pension account(s). Seccl reserves the right to recover from your Pension Account any re-registration costs that Seccl incurs in the re-registration process, for example, where Seccl has been charged by the new provider.
- 7.4. Transfer requests may be initiated by giving instructions in the Monzo app. In the event of transferring Assets from your Pension Account, you must cease all trading on your Pension Account in those Assets.
8. **Corporate Actions and reports**
  - 8.1. Assets in which you invest may be affected by "Corporate Actions" (i.e. something that will bring about a change in the investments you hold such as rights issues, stock splits, mergers and name changes). Some Corporate Actions require a choice to be made in respect of your holdings in a particular Asset, such as a Fund. This is known as an election.
  - 8.2. Subject to Applicable Law and the provisions of these Investment Dealing Terms, Seccl will be under no obligation to provide proxy voting services and will not be required to exercise any rights or take any action whatsoever in respect of Corporate Action events. Seccl will process mandatory corporate actions and elective actions with the default option.
  - 8.3. Where a Corporate Action does not require election, Seccl will inform Monzo of the details within 10 Business Days after the effective date of the Corporate Action.
  - 8.4. All Corporate Action communications will be notified electronically to Monzo.
  - 8.5. If a Corporate Action results in a change to an Asset or creates Assets that cannot be held in your Pension Account, Seccl reserve the right to return the Asset to you if the terms of the Pension Account allow this. We may also request that you sell or switch out of the Asset before the election deadline.
  - 8.6. Certain Corporate Actions (such as consolidations) may result in fractional allocations of shares and/or Cash distributions. For example, if the terms of a consolidation were 1 share for every 10 held, this could result in a fractional entitlement. Fractional entitlements will be sold where possible, and the Cash proceeds distributed to Clients as appropriate.
  - 8.7. Seccl will not forward company reports relating to your Assets. Seccl is also unable to pass on to you any shareholder perks relating to Assets held by you.
  - 8.8. Seccl will not contact you or Monzo regarding shareholders' or unit holders' meetings or to vote. If you wish to attend these meetings or vote, please speak to Monzo.
9. **Dividends and other Distributions from Assets**
  - 9.1. Seccl will collect Income generated by your Assets and pay it to your Pension Account within 10 Business Days of receiving both the cash and a valid tax voucher.
  - 9.2. If you hold non-UK Assets, we will not reclaim any withholding tax deducted on the income.
  - 9.3. As required by Applicable Law, Seccl will report any Income received from your Assets to HMRC.

## **Part 2 Seccl Custody Terms**

1. **BACKGROUND**
  - 1.1. The Trustee has arranged for Seccl Custody Limited ("Seccl") as the Custodian to provide the custody services described in this Part 2 (the "Custody Terms") to you. Seccl is authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN, registration number 793200, to arrange, safeguard and administer custody of cash and assets.
  - 1.2. Seccl is registered in England, registration number 10430958. To contact Seccl, you can write to 20 Manvers Street, Bath, BA1 1JW.
2. **SYSTEM OPERATION - APPLYING AND TRANSACTING**

- 2.1. Seccl is authorised to ensure that the custody of the Cash and Assets in your Pension Account are kept safe in accordance with Applicable Law.
  - 2.2. Any deposits or withdrawals of Cash or instructions to buy, sell or transfer Assets, through the Monzo app, will be recorded and managed in accordance with the FCA Rules. Seccl will ensure any investment instructions arranged by Monzo are completed in accordance with Part 1 of the Seccl Terms.
  - 2.3. All Cash will be held with an approved bank in a designated client money statutory trust account. The account is held separately from any monies held by either Seccl or Monzo.
  - 2.4. Assets will be registered to Digital Custody Nominees Limited ("Nominee") which is a wholly owned subsidiary company of Seccl. This arrangement safeguards and segregates your Assets from those of Seccl. Seccl accepts the same level of responsibility under the FCA Rules to you for the Nominee.
  - 2.5. Your Cash and Assets will be held in a pooled arrangement. This means that Seccl will have records that identify your individual ownership and entitlement to Assets. For operational and servicing purposes it is more efficient for Seccl to administer your investments on a pooled basis.
  - 2.6. Where Assets are held in an "omnibus account", the legal title to these Assets will be in the name of the Nominee together with Assets held for other Clients. This means that Assets held for you will not be separately identifiable within the Nominee's account, only in Seccl's books and records. In the event of a default in relation to Assets held in an omnibus account, you may not receive your full entitlement if there is any irreconcilable shortfall in investments and may share with other Clients in the shortfall in proportion to your original share. There may also be a delay in receiving your entitlement to such investments.
  - 2.7. Where Cash is held in a pooled account together with money from other Clients, you will not have a claim against a specific amount in a specific account. In the event that any bank with which Seccl has deposited the client money was to fail, you may not receive your full entitlement and may share in the shortfall with other Clients in proportion to your original share. This could include any fees deducted by insolvency practitioners.
  - 2.8. Seccl will have instances where it needs to appoint third-party nominees or sub-custodians to maintain the custody services offered. By agreeing to these Custody Terms, you authorise Seccl to do this.
  - 2.9. Seccl will use reasonable care and due diligence to perform its duties as Custodian.
  - 2.10. Where Seccl receives Income from your Assets, for example through dividend payments or fund distributions, Seccl will reconcile and credit these to your Pension Account. All overseas dividends are processed with standard rate withholding tax as applicable for the overseas territory.
  - 2.11. As "Corporate Action" events arise (i.e. something that will bring about a change in the investments you hold such as rights issues, stock splits, mergers and name changes), Seccl will inform Monzo and clause 8 of the Investment Dealing Terms (Part 1 above) shall apply.
  - 2.12. Seccl will facilitate the transfer of Cash and Assets in accordance with your instructions and the Monzo Terms.
3. **CASH PROCESSES**
- 3.1. Any Cash deposits or Income will be credited to your Pension Account once identified and reconciled by Seccl.
  - 3.2. Seccl may earn interest on Cash balances held in your Pension Account and if it does, it will pay these to charity. If in the future, Seccl decide to pay interest to you, Monzo will let you know (along with details of the interest rate).
  - 3.3. Any interest earned on Cash held in your Pension Account is accrued daily and paid monthly in the month immediately following that for which it was accrued. Interest is calculated on cleared Cash balances. Interest which accrues on client money accounts will not be treated as client money until it is applied each month.



- 3.4. Where interest cannot be distributed due to rounding differences, the unallocated interest will be paid to a registered charity chosen by Seccl.
  - 3.5. Seccl may use a combination of instant access, notice and unbreakable term deposit accounts to diversify the way it holds client money, where notice periods or unbreakable terms may be up to 95 days in accordance with the FCA Rules. In extraordinary circumstances, there may be a delay in receiving any withdrawals.
4. **SETTLEMENT**
  - 4.1. Settlement of Assets will be in line with market best practice, see Schedule 2: Order Execution Policy.
  - 4.2. For switch orders, Seccl will place a buy order after the sell instruction is confirmed by the Fund manager or the market. Seccl may delay the purchase of Exchange-Traded Asset orders if the intended Settlement date on the sale of a Fund is a day or more beyond that of the Exchange-Traded Asset order.
5. **LIENS**
  - 5.1. Seccl reserves the right to enforce the right of liens (a right for Seccl to hold on to Assets in its possession pending payment of a debt you owe) over the Assets in specific circumstances and where agreed with Monzo.
6. **COMMUNICATIONS**
  - 6.1. All communication with you will be in English through Monzo or the Monzo app.
  - 6.2. Seccl will provide quarterly valuation statements and contract notes, which will detail the buys or sells instructed on your account. It is your responsibility to sign-in and read this information and it is important you notify Monzo of any errors or omissions in respect of the accuracy of these documents.
  - 6.3. Ad hoc statement requests are available to download from the Monzo app.
7. **COMPLAINTS**
  - 7.1. Seccl has its own complaints policy. If you want to complain, please contact Monzo first. If the complaint relates to services provided by Seccl, Seccl will resolve the complaint and send you updates via Monzo.
  - 7.2. If you would rather contact Seccl directly, please contact Seccl by email at [support@seccl.tech](mailto:support@seccl.tech) or by post to The Compliance Officer, 20 Manvers Street, Bath, BA1 1JW.
  - 7.3. If Seccl does not resolve your complaint satisfactorily or fails to resolve it within eight weeks of receiving your complaint, you can also direct your complaint to the Financial Ombudsman Service at:  
  
Exchange Tower, London E14 9SR.  
Telephone: 0800 023 4567 or 0300 123 9 123;  
email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk); and  
website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).
8. **REMUNERATION**
  - 8.1. Monzo pays Seccl for custody services.
9. **CONFLICTS OF INTEREST**
  - 9.1. Seccl maintain a Conflicts of Interest Policy independent of Monzo. It is available by contacting Monzo.
10. **FORCE MAJEURE EVENT**
  - 10.1. To the extent permissible under Applicable Law, neither you nor Seccl shall be responsible for any loss or damage suffered by the other by reason of any natural and unavoidable catastrophes that interrupt the expected course of events and restrict you or Seccl from fulfilling obligations under these Custody Terms. If such loss, damage or failure is, or may occur, due to such an event, each party will use reasonable endeavours to minimise the effects and will notify the other.

## 11. DATA PROTECTION

- 11.1. In acting as your Custodian, Seccl will have access to the data you provide when you apply for a Pension Account through the Monzo app. In the agreement between Monzo and Seccl both parties are independent data controllers and have independent Privacy Policies which summarise how Seccl and Monzo will use your personal information and with whom they share it.
- 11.2. Seccl will use your details for regulatory reporting purposes and will not use or share your information for marketing purposes.
- 11.3. Seccl will retain your data and relevant communications for a period of seven (7) years from the date you close your Monzo Pension Account in line with FCA rules.

## 12. USE OF THIRD PARTIES

- 12.1. To provide custody services Seccl will use the services of third party service providers.
- 12.2. Examples include the provision of: data and price feeds of assets, the execution of trading instructions, clearing and Settlement services, banking services, client verification, regulatory reporting, card payment services and the facilitation of automated transfer instructions.
- 12.3. Where services are provided by a third party, Seccl will use reasonable care and due diligence in selecting them and monitoring their performance. Except in relation to the services of the Nominee under clause 2.4, Seccl does not guarantee proper performance by the third party and will not itself be responsible if a third party provider fails to meet its obligations. If the third party defaults or becomes insolvent, Seccl will attempt to recover any losses you have suffered. However, if the third party cannot repay its creditors any shortfall may have to be shared proportionally among them, including you and other Clients, and you may lose some or all of your Cash or Assets. This may include circumstances where it is not possible under the relevant national law and the arrangements for the registration of legal title to the Assets to identify the Client Assets from the assets of the third party firm. In this situation, you will not necessarily be entitled to compensation from Seccl, and you may seek recompense from the FSCS.

## 13. ACCOUNT CLOSURE

- 13.1. Where all your Monzo Pension Account has been closed and you no longer have a Monzo current account, Seccl may pay away residual balances totaling below £10 remaining in your Monzo Pension Account to a registered charity chosen by Seccl in line with FCA rules.

## 14. TERMINATION

- 14.1. Seccl may terminate the Custody Terms at any time by giving Monzo thirty (30) days' written notice (subject to Applicable Law).
- 14.2. Seccl may also terminate the Custody Terms with immediate effect by written notice if required to do so by Applicable Law or on instructions from Monzo.
- 14.3. In this event, Monzo will instruct Seccl where to transfer your Assets and Cash. If Monzo does not do so promptly, or if it no longer represents you, then Seccl will ask you and you will give the relevant instruction. Seccl will transfer your Assets and Cash in accordance with the relevant instruction or otherwise directly to you. The Custody Terms will continue to apply until the transfer is complete.

## 15. SEVERABILITY

- 15.1. If any part of the Custody Terms is declared unenforceable or invalid, the remainder will continue to be valid and enforceable.

## 16. NOTICES OF CHANGE/VARIATIONS

- 16.1. Seccl may change these Custody Terms in whole or in part. It can do this for the reasons stated in its change control policy, a version of which is available from Monzo.

## 17. GOVERNING LAW

- 17.1. The Custody Terms and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with them or their subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.



- 17.2. You agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these Custody Terms or their subject matter or formation.
18. **LIABILITY**
- 18.1. Seccl will use all reasonable skill, care and diligence in acting as your Custodian. Seccl will be liable to you for any direct loss that is the result of negligence or failure by Seccl to account for Cash or Assets in your Pension Account or through a breach of FCA Rules, unless any such failure is the result of the acts or omissions of you or Monzo.
- 18.2. Nothing in these Custody Terms shall be read as excluding or restricting any liability Seccl may have for death or personal injury or any duty or liability it may have to you under the FCA Rules or regulatory system.
- 18.3. Seccl will not be liable for the following:
- 18.3.1. loss of business, goodwill, opportunity or profit; or
  - 18.3.2. any special, consequential or indirect loss whatsoever.
  - 18.3.3. as a result of Seccl doing (or not doing) anything in reliance upon an instruction given (or which Seccl reasonably believes to have been given) by you;
  - 18.3.4. as a result of your decisions relating to the choice, purchase, retention and sale of any Assets in your Pension Account;
  - 18.3.5. from the default of any bank, fund manager or provider which holds your Cash and Assets (except as required under the FCA Rules);
  - 18.3.6. from the performance of any Assets;
  - 18.3.7. from any tax liabilities or charges that are incurred in relation to your Pension Account and/ or the Assets held within it; or
  - 18.3.8. from any instruction sent by you that is not received by Seccl, unless Seccl does not receive it due to a fault or omission on Seccl's part.
- 18.4. You accept and acknowledge that the internet and the telecommunication systems may be subject to interruption or failure through no fault of Seccl's.

### **Part 3 Seccl SIPP Terms**

These SIPP Terms apply to the Monzo SIPP. The pension scheme underlying the Monzo SIPP is the Seccl Personal Pension (the "Scheme"). This is a personal pension scheme that allows you to save for retirement in a tax-effective way with the potential to invest in a range of investments. It is registered with HMRC under tax reference 20005619RK.

The Scheme has been established and is governed by a Trust Deed and the rules of the Scheme (together the "Trust Deed"). Within the Trust Deed, Seccl established the Scheme within the meaning of Part 4 of the Finance Act 2004 ("the Act"), operates the Scheme and is the scheme administrator for taxation purposes. Seccl has appointed Digital Pension Trustees Limited ("the Trustee"), as trustee of the Scheme.

Any reference in these SIPP Terms to "we", "us" and "our" are references to Seccl and in relation to paragraphs 1.11 and 1.13, the Trustee.

Where this document refers to or describes a particular tax treatment, you should be aware that tax treatment depends on your individual circumstances and is subject to change in the future.

### **Additional Monzo Pension Definitions**

In addition to the definitions in Schedule 1, the following words and expressions in the SIPP Terms have the meanings appearing below:

**Annual Allowance** – the amount set by HMRC that you, your employer and any third party can pay to all your pension(s) each tax year before additional tax charges may apply.

**Authorised Scheme** – a “UK registered pension scheme” or a “qualifying recognised pension scheme”, such terms as defined in the Act.

**Flexi-access drawdown** – may be available to you when you reach the age of retirement and allows you to take income you need out of your pension while keeping the rest invested.

**Lifetime Allowance** – was the maximum amount set by HMRC that an individual could save within registered pension schemes in their lifetime without incurring an additional tax charge up until 5 April 2024 after which it was abolished.

**Lump sum allowance (LSA)** – the tax-free cash limit you can get from your pension(s) currently set at £268,275 from 6 April 2025.

**Lumps sum and death benefit allowance (LSDBA)** – the total amount of tax-free cash you can get in your lifetime and when you die set at £1,073,100 from 6 April 2025.

**Normal Minimum Pension Age** – the earliest age at which tax law normally permits benefits to be paid to pension scheme members without penalty other than in circumstances of ill health. Currently, it is age 55 and will rise to 57 from 6 April 2028.

**Pension Commencement Lump Sum** - is a tax free payment which most people can receive when they start accessing their pension benefits. It is normally 25% of the value of the pension benefits being accessed.

**The Pensions Regulator** – the UK regulator of workplace pensions, which also has certain roles in relation to personal pensions.

**Uncrystallised Funds Pension Lump Sum (UFPLS)** - allows you to withdraw some or all of your uncrystallised funds as a lump sum. Within the limitations of available lump sum allowance, 25% (or up to the available lump sum allowance if lower) of the UFPLS will be paid tax free, with the balance taxed as pension income at the point of withdrawal.

## 1. Our Personal Pension Services

- 1.1. The Trustee is the legal owner of the Cash and Assets in your Monzo Pension, holding them for your benefit under the Trust Deed. Seccl has been appointed to hold custody of the Cash and Assets in accordance with the Trust Deed. Seccl is responsible for the operation and administration of the Monzo Pension. It is also responsible, as custodian, for the safekeeping and administration of the Assets you acquire in your Scheme. Seccl is regulated by the FCA to carry out these activities.
- 1.2. Our conflicts of interest policy sets out the types of actual or potential conflicts of interest which affect our business and provides details of how these are identified and managed or prevented. You have the right to ask us for further information regarding our conflicts of interest policy.
- 1.3. The FCA Rules require us to classify all investors. The Monzo Pension service is provided by us to “retail clients”. Unless we tell you otherwise, we will treat you as a retail client under the FCA Rules. This means you get the highest level of protection available under the FCA Rules.
- 1.4. Our Scheme enables you to make investments into a range of different Assets, but we do not provide any financial or tax advice, and therefore we will not assess the suitability or appropriateness for you of the Assets you choose to hold within your Monzo Pension, the Scheme itself or any other service we provide. If you are in any doubt about the suitability or appropriateness of any particular investments, we recommend that you speak with an authorised adviser.

1.5. The Assets to which we provide access may be restricted for your Monzo Pension. These restrictions will be made after taking into consideration FCA requirements, HMRC rules, legislation and our administrative requirements.

Investment restrictions may be applied for the following valid reasons:

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

1.6. We may delegate our functions in respect of the Monzo Pension to third parties in accordance with the Trust Deed. We will be responsible for the actions and omissions of any person to whom a function is delegated. We may also engage agents to help us perform our functions but will not be responsible for any acts and omissions of such persons subject to our duties under the FCA Rules and provided such engagements do not amount to a delegation of our functions.

1.7. Our Scheme is exclusively an online product for which you will need to complete an application. We will send communications and documents to you via the Monzo app. We will not generally communicate with you by post. All of our documents and communications with you will be in English. You agree to receive copies of our up-to-date policy summaries (including summaries of our conflicts of interest and order execution policies) via our website.

1.8. You can communicate with Monzo about the Monzo Pension through the Monzo app.

1.9. We are obliged under the FCA Rules to record certain communications (including telephone calls, electronic communications and instant messaging) which relate to, or are intended to lead to, the buying or selling of an Asset. You have the right to request a copy of such recordings relating to your Monzo Pension at any time in the five-year period beginning on the date of the relevant recording. We may monitor and record other communications and calls.

1.10. If we are negligent, knowingly in default, act fraudulently, or breach these SIPP Terms or Applicable Law (as relevant), then we are legally responsible to you for the results of our actions unless set out below.

1.11. If we make a mistake acting on your or Monzo's instructions to deal in, switch or sell Assets, we will correct it as soon as possible, and reimburse you for any loss that is a direct result of our error. This reimbursement may occur outside your Monzo Pension, due to the tax treatment of such corrections.

1.12. We will not be responsible to you:

- 1.12.1. if you suffer a loss because the value of your Assets fall;
- 1.12.2. if you suffer a loss because you fail to comply with these SIPP Terms or with any applicable legal requirement or because of any action which we take or refrain from taking in order to ensure that we comply with your instructions;
- 1.12.3. for any action which we take or refrain from taking in order to ensure that we comply with Applicable Law;
- 1.12.4. if we delay or fail to execute a transaction because of market conditions which may prevent us from being able to execute it in accordance with our order execution policy or Applicable Law;

- 1.12.5. if you suffer a loss that was not reasonably foreseeable by you or us when accepting your application for the Monzo Pension or is not otherwise a natural result of the breach;
- 1.12.6. if you suffer any loss or damage as a result of an external event or something else that is unavoidable and outside our reasonable control, or as a result of any steps which we reasonably take in response to such (including the unavailability of our systems);
- 1.12.7. for any deals on your Monzo Pension made by any person you have authorised to deal on your Monzo Pension (such as an attorney) that are placed incorrectly or without your authority;
- 1.12.8. for the performance of any third party (for example, any broker required to execute a transaction), unless otherwise stated in these SIPP Terms.

In this clause, the word “loss” includes but is not limited to any liability to tax or penalty under tax law.

- 1.13. The responsibilities in this section also apply to the Nominee and the Trustee. We are responsible for their respective actions or omissions.

## **2. Your responsibilities**

- 2.1. By opening your Monzo Pension, you agree that you will not take part in activity that may be considered to be market abuse. If we believe that your Monzo Pension is being used to engage in market abuse, we reserve the right to take such action as we deem to be appropriate.

### **2.2. Monzo Pension establishment**

- 2.2.1. You can open and maintain a Monzo Pension if you are an individual aged between 18 and 70 years.
- 2.2.2. As part of the Monzo Pension opening process, you will set up a username and password and provide certain other personal security details which you will use to access the Monzo app. You must keep your security details secret. You must not disclose them to anyone or allow any other person to access your Monzo Pension using your security details. We are not responsible for any loss that your Monzo Pension may incur as a result of not having kept your security details and/or password secret.
- 2.2.3. We may decline your application for a Monzo Pension entirely at our discretion. These SIPP Terms come into force when you open your Monzo Pension in the Monzo app.
- 2.2.4. Under applicable money laundering regulations, we are required to verify the identity of our investors and their beneficial owners and obtain additional information in relation to them. In order to do this, we may carry out electronic searches on private and public databases and use credit reference agencies which will record that an enquiry has been made. We may also need to ask you for further documentation as evidence.
- 2.2.5. Until we have verified your identity, we will place restrictions on your Monzo Pension, and we may prevent any payments of benefits to you or refuse any contributions or transfers.
- 2.2.6. Monzo will confirm when we have accepted your application and you will become a member of the Scheme as long as you have supplied all relevant information about any tax relief and other information requested as part of the application process.

### 3. Making payments and contributions to the Monzo Pension

- 3.1. If you are eligible, you may make contributions to your Monzo Pension either on an ad-hoc or regular basis. These contributions can be made from your Monzo current account in the Monzo app. For clarity we will not accept contributions if you move abroad.
- 3.2. Personal contributions will normally be treated as having been paid net of basic rate tax which we will claim on your behalf from HMRC. The tax reclaim process normally takes between six to 12 weeks, during this time the money being reclaimed is not available for investment until we receive cleared funds from HMRC.

3.3. To pay personal contributions eligible for tax relief you have to be:

- aged 18 or over;
- under age 75; and
- a relevant UK individual.

A 'relevant UK individual' is a person who:

- 3.3.1. has relevant UK earnings chargeable to income tax for that tax year; or
- 3.3.2. is resident in the UK at some time during that tax year; or
- 3.3.3. was resident in the UK at some time during the 5 tax years immediately before the tax year in question and was also resident in the UK at the time of joining the Scheme; or
- 3.3.4. has, or is the spouse of a person who has, for that tax year, general earnings from overseas Crown employment subject to UK tax.

3.4. If you cease to be a relevant UK individual, you cannot make contributions to the Monzo Pension on your own behalf after the end of the tax year in question.

We will only accept contributions in cash.

3.5. Tax relief is granted at your highest marginal rate of income tax. If you are a higher rate or additional rate taxpayer, you will need to reclaim the additional tax relief through your self-assessment tax return.

3.6. You must tell Monzo if you are not entitled to tax relief on all or part of the contributions.

3.7. If you make contributions to your Monzo Pension which, when combined with other contributions to other UK pension schemes, exceed the amount on which you are entitled to tax relief, we may agree to refund the excess contributions to you provided the value of your Monzo Pension is sufficient to make the refund to you and repay any amounts due to HMRC. Any investment loss or growth in respect of a refunded contribution will be deemed to be outside the Scheme. A contribution cannot be refunded simply because it takes contributions over the Annual Allowance. Before we refund any excess contributions, we will require evidence that the payment will be authorised under the tax rules. Any excess tax relief already received from HMRC must be returned to HMRC within the timescale specified by HMRC. We are not responsible for any interest levied by HMRC on a refund of overpaid tax relief.

3.8. A refund of excess contributions can be requested at any time before the end of the sixth tax year following the tax year in which they were made. The maximum refund available will be the value of the excess contribution(s). A refund might be delayed if the value of your Monzo Pension is insufficient.

3.9. We can refund a contribution when we receive a valid request for a contribution which was:

- 3.9.1. paid in genuine error (as defined by HMRC) and was not intended to be paid;

- 3.9.2. an employer contribution which should have ceased on the termination of employment and was paid in error; or
  - 3.9.3. a member or third-party contribution where the member has insufficient earnings to attract tax relief on the contribution paid.
- 3.10. Where the value of your Monzo Pension is insufficient to pay a refund, we may require you to pay further funds into your Monzo Pension. We are entitled to direct that Assets are disposed of within your Monzo Pension as a portion of the largest holding sufficient if the amount remains unpaid after 30 days. If the value of your Monzo Pension is insufficient you remain liable for any losses or costs incurred by us.
- 3.11. You should read the Monzo Pension Key Features document for more information about how to make contributions, tax rules and eligibility restrictions including Lump Sum Allowances, money purchase Annual Allowance and tapered Annual Allowance. We will not be responsible for ensuring that your contributions remain below the Annual Allowance, money purchase Annual Allowance and tapered Annual Allowance. We will not normally accept contributions which exceed your available Annual Allowance or (if applicable) money purchase Annual Allowance.
- 3.12. If you have incurred an Annual Allowance tax charge or money purchase Annual Allowance charge, you are responsible for paying them to HMRC. In the case of the Annual Allowance, you can also pay a share of the tax charge from your Monzo Pension as long as the amount due to HMRC is at least £2,000. The maximum amount you can pay in this way must not exceed the value of your Monzo Pension after allowing for all fees, charges and other deductions. If you are a member of more than one pension scheme, the amount paid from your Monzo Pension should not in any case be more than a share in accordance with HMRC's rules. To arrange the payment, you must tell us in writing that you wish to do so

#### **4. Pension input period**

- 4.1. Your pension input period is a period of time defined by HMRC to measure your contributions paid. Your first pension input period starts when we accept your first contribution and ends the following 5 April. Subsequent pension input periods will be aligned with the tax year.
- 4.2. The Annual Allowance is defined by HMRC and limits the amount of tax relief available on pension savings in a pension input period. If the total of all pension savings made by you (or for you) exceed the Annual Allowance, you may be liable to a tax charge.

#### **5. Transferring existing pensions to your Monzo Pension**

- 5.1. We may, at our discretion, accept a request to transfer all or part of your pensions from other UK registered pension schemes into your Monzo Pension. We will not accept a transfer from a pension with safeguarded rights such as a final salary scheme (as further defined in Section 48(8) of the Pension Schemes Act 2015).
- 5.2. We may, at our discretion, accept transfers of benefits from other Authorised Schemes, subject to the Trust Deed. Uncrystallised benefits (pension benefits that have not been cashed in) and crystallised benefits, can be accepted and will be separately identified within your Monzo Pension.
- 5.3. Any crystallised benefits being transferred that are in capped drawdown will only be accepted on the basis that they will immediately be converted to flexi-access drawdown. Once income is taken from the flexi-access drawdown you will become subject to the Money Purchase Annual Allowance.



- 5.4. Transfers-in of benefits subject to a pension earmarking order cannot be accepted. Transfers-in of benefits subject to a pension sharing order can be accepted.
- 5.5. It is your responsibility to ensure a transfer of pension benefits is in your best interests. You should consider taking advice from a suitably qualified financial adviser. We do not provide advice. Our acceptance of a transfer is in no way an endorsement of the suitability for you of the transfer.
- 5.6. We reserve the right to reasonably refuse or refund a transfer (whether in part or whole).
- 5.7. Where you request a cash transfer or In-Specie transfer of approved investments from an existing pension you take responsibility for initiating all transfer instructions. We do not accept responsibility for delays in receiving transfers.
- 5.8. We can decline a transfer of any of the investments to be transferred. We will inform you if this is the case.
- 5.9. You agree that we may obtain any information we believe is necessary from your previous pension scheme to comply with Applicable Law.

## **6. Right to cancel your product**

- 6.1. You may change your mind and cancel your Monzo Pension or a transfer into your Monzo Pension as described in the Monzo Terms above.
- 6.2. These SIPP Terms will apply until your membership of the Scheme ceases or your Monzo Pension is closed. Termination of these SIPP Terms shall not affect accrued rights, existing commitments or any contractual provision intended to survive termination.

## **7. Cash Management**

- 7.1. The Custodian will hold contributions paid and cash transfers made into your Monzo Pension in a pooled client account in accordance with the Trust Deed and Applicable Law. Any Cash held by the Custodian will be held as client money and managed in accordance with the FCA Rules. Further details can be found in the Custody Terms.

## **8. Your Assets**

- 8.1. The Assets within your Monzo Pension will be held in the name of the Nominee on behalf of the Custodian. The Trustee remains the beneficial owner on your behalf.
- 8.2. The Monzo Pension permitted investment range is currently restricted to the Cash and Assets meeting the FCA's definition of "standard investments" all of which must be capable of being held by the Custodian and administered by us. Broadly speaking this means an Asset has to be an FCA authorised or recognised collective investment scheme or a listed security and capable of being valued on a regular basis and sold within 30 days.
- 8.3. Any investment income, including interest, or capital gains from your Assets will be held by the Custodian on your behalf and will form part of value of your Monzo Pension.
- 8.4. All investment instructions are made by you (via Monzo) and neither we nor the Trustee shall be responsible for any investment decision.
- 8.5. We have discretion to direct the Trustee to dispose of an Asset without consultation with you or your prior agreement when the following situation occurs:
  - 8.5.1. continuing to keep an Asset would be unlawful;
  - 8.5.2. continuing to keep an Asset that would impose tax or other costs which your Monzo Pension may not be able to meet;

- 8.5.3. the Asset needs to be disposed of to meet any tax liability or other liabilities or costs (including our own);
- 8.5.4. where there is insufficient Cash in your Monzo Pension to pay amounts due to us, HMRC or to pay benefits or other payments due;
- 8.5.5. to comply with a court order.

## **9. Monzo Pension Statements**

9.1. We will provide you with a number of statements: an annual pensions statement, quarterly valuation statements and any other such statements required by Applicable Law, showing you a summary and valuation of all your Monzo Pension Assets and every transaction executed for you in the previous reporting period. Your valuation statements will be made available for you to view in the Monzo app, and you agree that you will access the Monzo app from time to time in order to review your most recent valuation statement. You agree to tell us of any discrepancy or issues with these valuation statements in a reasonable timeframe. In the absence of any such notification, we will be entitled to assume that the valuation is an accurate reflection of your Monzo Pension.

## **10. Transfers out**

- 10.1. We, on behalf of the Trustee, have discretion over whether to accept your request to transfer out the value of your Monzo Pension to another Authorised Scheme.
- 10.2. We will not transfer out benefits in accordance with these SIPP Terms unless we are satisfied as to each of the following:
  - 10.2.1. we have proper authority and approval to make the transfer out;
  - 10.2.2. all outstanding fees, charges and liabilities have been settled; and
  - 10.2.3. making the transfer out is not likely to prejudice any protected benefits or be unlawful or be made to an unrecognised or unregistered pension scheme or be made to a scheme suspected of being involved in any kind of investment scam or pensions liberation.
- 10.3. We will not transfer out benefits to Recognised Overseas Pension Schemes (ROPS). A ROPS is an overseas pension scheme which meets the requirements as set out in 3(2) of the Pension Schemes (Categories of Country and Requirements for Recognised Overseas Schemes) Regulations 2006.
- 10.4. It may be necessary for us to delay a transfer out where we are unable to sell or re-register some of the Assets, particularly Assets that are cannot easily be converted to Cash for the purposes of the transfer. Such circumstances could lead to you having to defer transferring out or taking benefits.
- 10.5. If we receive an income payment, a dividend or other cash amount relating to your Monzo Pension, after you have transferred out from your Monzo Pension, we will ensure that such payments will be sent onto the receiving Authorised Scheme in accordance with the strict requirements set out in Applicable Law.
- 10.6. In the limited circumstances permitted by Applicable Law, such as the winding up of the Scheme, we shall be entitled to transfer out the value of your Monzo Pension without your consent or instructions.

## **11. Your personal information**

- 11.1. We are the data controller for the personal information you give us (via Monzo). We will not pass your personal information to anyone, other than as detailed in our Privacy Policy (which can be found at [www.seccl.tech](http://www.seccl.tech)). By accepting these SIPP Terms, you agree and consent to our obtaining, using and storing your personal information as set out in our Privacy Policy.

## 12. Intellectual property

- 12.1. All copyright, trademarks and other intellectual property in the materials and information on our website are owned or licensed by Seccl Technology Limited or by external content providers. Nothing in these SIPP Terms or on the website should be regarded as granting any licence or right to or in any trademark or service mark of Seccl Technology or any third party.

## 13. Complaints

- 13.1. If you have a complaint about any element of the Monzo Pension please contact Monzo through the Monzo app.
- 13.2. Your complaint will be handled by a person of appropriate competence and experience. That person will not have been directly involved in the matter which is the subject of the complaint
- 13.3. We will endeavour to resolve any complaint as soon as possible.
- 13.4. If we have not issued a final response within four weeks of receipt of your complaint, we will (via Monzo) write to you providing a holding response that will indicate when we will make further contact. This further contact will be within eight weeks of receipt of the complaint.
- 13.5. By the end of the eight weeks, we must send you either a final response or a response which explains that we are still investigating the complaint, giving reasons for the delay and likely timescales. We will also, where appropriate, provide you with details of the Financial Ombudsman Service, along with a copy of their leaflet 'Your Complaint and the Ombudsman' and a statement confirming that an approach can be made by you to the Financial Ombudsman Service if you are dissatisfied with the outcome or the length of time the matter has taken.

### Financial Ombudsman Service

Exchange Tower  
Harbour Exchange Square London E14 9SR  
Telephone: 0800 023 4567 (call charges will vary)  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### The Pensions Ombudsman

Alternatively, you may have the right to refer your complaint to the Pensions Ombudsman. The Pensions Ombudsman may investigate and determine certain complaints or disputes about pensions that are referred to the Ombudsman in accordance with legislation, and may be contacted at:

10 South Colonnade Canary Wharf  
London E14 4PU  
Telephone: 0800 917 4487 (call charges will vary) Email: [helpline@pensions-ombudsman.org.uk](mailto:helpline@pensions-ombudsman.org.uk) or  
request an application form by emailing [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## 14. Ending these SIPP Terms

14.1. You agree to us transferring all or any of our rights and obligations under these SIPP Terms to any one or more appropriate Seccl companies or any third parties which are appropriately regulated and authorised under Applicable Law. These obligations include the appointments of Seccl as the scheme administrator and operator and the appointment of Digital Pension Trustees Limited as the Trustee. If we do this, we will give you at least 90 days' advance written notice of the transfer. In each case, we shall cease to have any responsibilities to you or your Monzo Pension from the time that the change takes effect to the extent that those obligations applied to our appointment. The new scheme administrator / operator or trustee will take on our obligations to provide the services under these SIPP Terms in our place. We will not transfer our rights and obligations unless we are satisfied that you will not be in a worse position or receive a poorer service.

## **15. Monzo Pension benefits**

15.1. If you are 50 or over, the Government has launched a free and impartial service to help you understand what your choices are and how they work, this can be accessed online, over the telephone by calling 0800 138 3944 or face to face - see [www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise](http://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise).

15.2. It is strongly recommended that prior to accessing your pension benefits you seek advice from a suitably qualified financial adviser or obtain guidance from Pension Wise.

15.3. You can take benefits from your Monzo Pension from the Normal Minimum Pension Age by instructing us (via Monzo) to:

- commence drawdown pension (flexi-access drawdown) with all of your Monzo Pension or the balance after taking any Pension Commencement Lump Sum ("PCLS").
- Buy an annuity from an annuity provider in your name with all of your Monzo Pension and pay you any pension commencement lump sum ("PCLS") where allowable.

15.4. You may be able to take benefits early if:

- you have transitional rights to a protected pension age, and you satisfy the conditions in the Trust Deed; or
- we are satisfied that you are, and will continue to be, incapable of carrying on your occupation because of physical or mental impairment (in this case you must provide medical evidence to show that you have become incapable of carrying on that occupation and will continue to be incapable of returning to it).

15.5. At the point you wish to take benefits you will be required to complete an application/questionnaire in the Monzo app and you are entitled to a 30-day cancellation period, effective from the date you receive a cancellation notice. Where you receive payment of benefits to which you are entitled and subsequently exercise your right to cancel you will be required to return any income payments received back to the Monzo Pension. Failure to do so will be deemed as overriding your cancellation instruction. In accordance with regulations, we are unable to cancel the PCLS you have taken.

15.6. With the exception of your PCLS, payments made by us to you from your Monzo Pension will be made net of tax under PAYE

15.7. Payment to you by means of flexi-access drawdown ("FAD") can involve a payment of a tax-free PCLS with any income being taxable as income. FAD is an option to use your retirement fund to provide retirement income.

15.8. We will not pay benefits in accordance with these SIPP Terms unless we are satisfied as to each of the following:

- 15.8.1. we have proper authority to pay the benefits;
- 15.8.2. we are in receipt of all the necessary information required by regulations;
- 15.8.3. we have received all the fees due to us;
- 15.8.4. all liabilities and costs have been satisfied by your Monzo Pension; and

15.9. all outstanding transfers have been received by your Monzo Pension.

15.10. When you commence taking benefits from your Monzo Pension, there are two lump sum allowances available; the Lump Sum Allowance (LSA) and the Lump Sum and death Benefits Allowance (LSDBA). For most people, the lump sum allowance (LSA) will limit the tax-free cash available from your pension to £268,275. In most cases, the lump sum and death benefit allowance (LSDBA) will limit the total amount of tax-free cash available in your lifetime and when you die to £1,073,100. Before the 2023/24 tax year, the lifetime allowance was the limit on the amount of benefits you could take across all pension schemes before additional tax charges would apply. From 2023/24 the tax charge ceased to apply and from 6 April 2024 the lifetime allowance no longer applies. The lifetime allowance still limits tax-free lump sum entitlement. If you hold any forms of previous lifetime allowance protection, you will keep the lump sum entitlement from it. When you commence taking benefits from your Monzo Pension we will calculate your available tax-free lump sum based on the information you provide. You must provide us with the information necessary for us to calculate the available lump sum allowance. This information includes details of any protections from the previous lifetime allowance that you have, and all lump sums previously taken. If the requested tax-free lump sum exceeds your available allowance the payment will be restricted to the available allowance.

15.11. If you took benefits before 6 April 2024 your lump sum allowance is reduced by 25% of the previously used lifetime allowance. Meaning if 100% of lifetime allowance was used, the lump sum allowance would be Nil. This is known as the “default transitional reduction”. However, where the actual amount of tax-free lump sums received were lower than the default amount, you can apply to the scheme administrator of any registered pension scheme that you are a member of, for a “transitional tax-free amount certificate”. The certificate will confirm the:

**“Lump sum transitional tax-free amount”** – the total of all the PCLS and tax-free amounts of UFPLS that has been paid before 6 April 2024.

And

**“Lump sum and death benefit transitional tax-free amount”** – the total tax-free amount of lump sums paid, including serious ill health lump sums and lump sum death benefits paid before 6 April 2024.

To apply for a “transitional tax-free amount certificate” from us, you (or your personal representatives) will need to provide complete evidence to the pension scheme of previous amounts received. The application for a “transitional tax-free amount certificate” must be made before any request to take benefits from 6 April 2024. The scheme administrator has 3 months under the regulations to issue the certificate or confirm why it cannot be issued. We will only refuse to issue the certificate if incomplete evidence has been received to allow the calculations to be completed. Once a certificate has been issued it cannot be cancelled if the member finds that their available lump sum allowances under the standard calculation would have been more beneficial.

- 15.12. In addition to the benefits listed above you have the option to purchase an annuity for life at any time from the Normal Minimum Pension Age. We do not provide annuities so your choice of annuity must be selected from a UK Insurance company.

## 16. Death benefits

- 16.1. On your death the payments we make, and how these are taxed, will depend on:
- 16.1.1. the Trust Deed;
  - 16.1.2. your age at the time of death; and
  - 16.1.3. how we exercise our discretion.
- 16.2. Upon being notified of your death, in order to settle any death benefits payable under your Monzo Pension, your beneficiaries or legal representatives should send a copy of your death certificate (either original or certified copy) to Monzo who will forward it to us.
- 16.3. On receipt of your death certificate, we will restrict all investment and freeze your Monzo Pension until an instruction is received from your representatives.
- 16.4. We may, at our complete discretion, decide who should receive a lump sum death benefit and in what proportion. The list of your potential beneficiaries include any one or more of your beneficiaries, dependants, nominees or successors.
- 16.5. Where you have made a nomination, we will take your wishes into account but are not bound by them. This will include the ability to establish a new Monzo Pension for a beneficiary.
- 16.6. By exercising our discretion in favour of a dependant, nominee (such nominee must have been nominated by you), or other beneficiary, that dependant, nominee or beneficiary (as applicable) may choose for the benefits to be paid in one or more of the following ways:
- 16.6.1. a lump sum death benefit;
  - 16.6.2. income from income drawdown by transferring to a provider that offers beneficiary drawdown; or
  - 16.6.3. the purchase of an annuity.
- 16.7. We shall deduct any tax from the lump sum or income payments for which the Scheme may be liable. All nominees must be selected via our online process.
- 16.8. On your death the value of your Monzo Pension can be used to provide a lump sum or an ongoing income or used to buy an annuity. If you die before your 75th birthday, then lump sum payments and income from your Monzo Pension will generally not be subject to tax as long as it is possible to make a payment within the two years from the date we are notified of your death. If you die on or after your 75th birthday, then any lump sum payments are generally subject to tax.
- 16.9. Lump sum death benefits received by your dependant or nominee successor will be tested against your available allowance (see clause 17.12 explaining allowances). Where lump sum death benefits are paid in respect of a deceased dependant, nominee or successor, these will be tested against the nominee's or successor's available lump sum and death benefit allowance. The benefit will not be tested against the original member's or beneficiary's allowance.

## 17. How to contact Seccl

If you have any questions about your Monzo Pension, please contact Monzo in the Monzo app.

**Seccl Technology Limited** is registered in England and Wales No 10237930. Registered office 20 Manvers Street, Bath, BA1 1JW.



**Seccl Custody Limited**, is registered in England and Wales No 10430958. Registered Office 20 Manvers Street, Bath, BA1 1JW. Seccl Custody Limited is authorised and regulated by the Financial Conduct Authority, registration Number 793200 and is a wholly owned subsidiary of Seccl Technology Limited.

## Schedule 1 Glossary

**Applicable Law:** means any law, legislation, instrument, rule, order, regulation, directive, bylaw, or decision which applies to, concerns, or otherwise affects either our or your obligations under these Seccl Terms, as varied from time to time. This includes the Finance Act 2004, the Financial Services and Markets Act 2000, substantive legislation made under acts and/or any rules and regulations of any regulatory body (including, without limitation, the FCA Rules).

**Assets:** means investments (other than Cash) held within your Pension Account such as units or shares in Funds, Exchange-Traded Assets, and other investments available to be held through your Pension Account.

**Business Day:** means any day when the London Stock Exchange is open for business.

**Cash:** means any cash balances, distributions and other amounts received or receivable as cash in your Pension Account from time to time.

**Charges:** means any charges payable in connection with your Pension Account.

**Client:** means an individual, attorney, trustee, corporate entity, charitable trust or beneficial owner with a Pension Account.

**Custodian:** means Seccl Custody Limited, a firm authorised and regulated by the FCA under reference number 793200 which provides custody services to you.

**Exchange-Traded Asset:** means any sterling denominated security we make available to you. This includes: shares, warrants, permanent interest bearing shares, gilts, corporate bonds, exchange-traded funds, exchange-traded commodities, investment trusts, or any other exchange-traded asset available to you within your Pension Account.

**FCA:** means the Financial Conduct Authority or any successor authority.

**FCA Rules:** means the FCA's Handbook of rules and guidance, as amended or replaced from time to time.

**FSCS:** means the Financial Services Compensation Scheme; the compensation fund of last resort for Clients of authorised financial services firms. If a firm is unable, or is unlikely to be able, to pay claims against it, the FSCS may be able to pay compensation to the firm's clients, subject to its rules on eligible claims.

**Fund:** means an FCA authorised investment fund available to be held in your Pension Account.

**HMRC:** means HM Revenue & Customs.

**Income:** means all payments received by a Client as taxable income distributed from that Client's Assets (for example dividends and interest) and any tax reclaimed on UK Assets from HMRC on that Client's behalf.

**In-Specie:** means transferring the ownership of an asset from one person to another without the need to convert the asset to cash.

**Pension Account:** means a Pension Account held on the Monzo app.

**Monzo Terms:** means the terms and conditions are between you and Monzo Bank Limited for Monzo's investment services.

**Nominee:** means a company (or entity) created for the purpose of holding Assets as registered owner on behalf of the person entitled to the benefits or ownership of the Asset. The Nominee is Digital Custody Nominees Limited, or any other Nominee as appointed by the Custodian. Digital Custody Nominees Limited is a wholly owned subsidiary of Seccl Custody Limited and its registered address is: 20 Manvers Street, Bath, England, BA1 1JW.

**Order Execution Policy:** means the document setting out the approach the Custodian will take when executing investment instructions, to establish the best possible result for you in accordance with Applicable Law.

**Retail Client:** means a client who is not a professional client or eligible counterparty as defined in FCA Rules.

**Seccl Custody Limited (Seccl):** means the UK company with company number 10430958. Seccl Custody Limited is authorised and regulated in the UK by the Financial Conduct Authority, FCA number 793200.

**Settlement, Settle:** means the process by which Assets are delivered from one party to another. It involves the contractual exchange of these Assets and Cash from buyer to seller.

**Valuation Point:** means the time used by Fund managers or providers of Exchange-Traded Assets to price units or shares in their Assets that are either bought or sold.

**You/your/yours:** means any person agreeing to these Seccl Terms to apply for a Pension Account and associated services under these Seccl Terms.

## Schedule 2 Order Execution Policy

### 1. Introduction

Monzo has appointed Seccl Custody Limited ("**Seccl**") to provide investment dealing services. The Order Execution Policy is aimed at providing a general understanding of the typical dealing arrangements provided by Seccl when investing using the Monzo app.

Any reference in this Order Execution Policy "we", "us" and "our" are references to Seccl.

These arrangements may vary for different categories of investment types and are described below. In addition to the Seccl Terms, you consent to this policy, and it will apply each time we receive and place a client order for execution.

This document outlines our Order Execution Policy (the "**Policy**"), which details our obligation to take all sufficient steps to obtain, on a consistent basis, the best possible result ("**Best Execution**") when transmitting client orders for execution.

### 2. Transmission

#### Exchange traded orders

We place all Exchange–Traded Asset orders with Winterflood Business Services ("**WBS**") for execution. In selecting WBS as our third party broker for execution, we have considered a number of factors, including (but not limited) to:

- the size and type of the transaction/order and the broker's capabilities with respect to the relevant type of order, including its ability to execute the order in an appropriate timeframe;
- the competitiveness of applicable fees and commissions, which may be based on the size of the order or the price of the financial instrument;
- the broker's reputation and responsiveness to requests for trade data and other financial information;
- the broker's system capabilities of routing orders to execution venues where good liquidity is likely to be present;
- statistics and other information by independent consultants on the relative quality of execution services/financial services delivered by the broker;
- past performance in terms of the general value and quality of services provided by the broker;
- consistency of execution services provided.

We have satisfied ourselves that WBS has arrangements in place that enable us to meet Best Execution.

The execution factors applied by WBS when executing any orders that we place with them are set out in Section 3 of this policy. The current execution venues used by WBS are detailed in Section 10 of this policy.

#### Funds

For Funds, client orders will generally be routed to the appropriate Fund manager for execution at the next available Valuation Point for that particular Fund. Clients' orders may be aggregated as described in Section 6.

### 3. Best Execution Factors Applied by WBS

When executing orders, unless otherwise specifically instructed, WBS will use price as the primary measure for achieving Best Execution. The following execution factors will be considered, and how these may be considered as part of the decision-making process in the context of the details below (listed in order or priority for a typical trade). Their importance will vary depending on the characteristics of the client order.

#### Price

Price will be determined with reference to the execution venues to which WBS connects and on which the security is traded. WBS use automatic execution technology which will source the best price from a range of retail service providers and market makers. Where an electronic price is not available the order will be dealt manually by WBS's dealing team.

**Cost**

For orders where brokerage or exchange fees are applicable, WBS will not seek to pass these on to you. For international orders, certain costs (such as foreign exchange 'FX') may be passed through to you within the price spread, but WBS deem this to still result in the best overall outcome and hence total consideration for you. Any relevant commission rates will have been agreed with the client in advance.

**Likelihood of Execution and Settlement**

Likelihood of execution is very high due to the relationships WBS has forged with its market maker and broker counterparties. Likelihood of Settlement is difficult to assess pre-trade, but WBS monitors the Settlement performance of each counterparty so there is a historical track record to base this decision on.

**Size**

The size of the trade in relation to the liquidity of the stock may have significant influence on the best execution process and is directly correlated to the market impact (implicit costs).

**Nature**

Consideration will be given to the liquidity of the stock on the order book at the relevant time. Execution may be heavily influenced by the level of on or off order book trading patterns in the stock. These factors plus the size of the order will determine the appropriate execution method. This may include the working of an order into the market place using an appropriate benchmark or immediate execution on an outright bid/offer price, for example.

**Speed**

The importance of speed of transactions will vary. For example, to reduce the implicit costs associated with market impact, an order might be worked over a day or more. Different order types and specific instructions may also have a bearing on the speed of execution.

**Other Relevant Considerations**

Careful consideration shall be given not just to each element in isolation, but also to any compromise or interaction between these factors. For example, size against market impact or speed against price, any of which might also be influenced by a client's specific instruction.

**4. Order Types**

At present, we offer one exchange traded order type:

At Best Order – Deal immediately at the best available price for that size of order based on the execution venues available, without the client viewing the price in advance.

**5. Specific Instruction**

Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions and you should be aware that doing so may prevent us from applying this policy to achieve Best Execution. Where your specific instructions relate to only part of the order, we will continue to apply our policy to those aspects of the order not covered by those instructions.

**6. Aggregation and Priority**

For Funds, orders may be aggregated with the orders of other Clients and bulked prior to executing with the Fund manager. For exchange-traded orders, WBS may combine orders with orders for the account of other clients, or for its own account (including in relation to fractional orders). The aggregation of orders may operate on some occasions to a client's (or its customers') advantage and on some occasions to a client's (or its customers') disadvantage in relation to a particular order. The decision to aggregate will be taken in WBS's sole discretion and where orders have been aggregated, they will be allocated to clients on a pro-rata basis in accordance with WBS's order allocation policy.

Depending on price and the consideration received, the disaggregation of bulked proceeds may result in penny rounding differences which cannot be allocated at individual client level.

## **7. Charges, Dilution Levy or Exit Charges**

For Fund orders, fund managers may levy an initial charge on purchase orders and there is a risk that Fund managers apply a "dilution levy" to the order. This normally happens where there are sizeable buy or sell orders in the market. This is an extra charge placed on the transaction and will be applied proportionately to an order placed. Should this occur, it will be clearly detailed on the order confirmation that we will provide to you.

## **8. Venues**

For exchange-traded orders, WBS may use one or more of the execution venues listed in Section 10 to enable it to obtain the best possible outcome on a consistent basis when executing orders. WBS will regularly assess the execution venues available to ensure the best outcome. The non-exhaustive list of factors which influence their decisions include:

- Cost of Execution
- Level of liquidity available on a consistent basis – market share
- General quality of pricing available
- Cost, speed and reliability of connectivity; and
- Means and costs of clearing and Settlement

## **9. Monitoring**

We will monitor the effectiveness of our policy to ensure that it consistently achieves the best possible result for our clients and to identify whether more favourable results could consistently be achieved by transmitting orders to other brokers or on alternative execution venues. We will review our execution arrangements and this policy at least annually, or whenever a material change occurs that affects our ability to obtain the best possible result for our clients.

Where we identify any deficiencies, we will take appropriate measures and effect suitable changes to our execution arrangements and/or this policy to address such deficiencies.

We will notify you of any material changes to our execution arrangements where they are relevant to you and any changes to this policy. Any such changes will come into effect the next time that we receive a client order for execution.

If you wish to discuss the above or have any further questions, please contact us.

## **10. Order Venues and RSPs**

WBS currently use the following execution venues:

- London Stock Exchange (LSE); including the Alternative Investment Market (AIM).



WBS currently use the following Retail Service Providers (Market Makers/Brokers):

- Canaccord
- Flow Traders B.V
- Investec Bank
- Jane Street Financial Limited
- Jeffries International Limited
- N+1 Singer
- Numis Securities
- Panmure Gordon Limited
- Peel Hunt
- Philip Securities
- Shore Capital
- Stifel Nicolaus Europe Limited
- Susquehanna
- Virtu Financial
- UBS Switzerland AG and
- Winterflood Securities

Seccl Custody Limited deals in investments, is the custodian of assets held on the platform and is the operator and administrator of Monzo Pension. It is authorised and regulated by the Financial Conduct Authority, Registration No. 793200 and registered in England and Wales No. 10430958. Registered office 20 Manvers Street, Bath BA1 1JW.