



Terms & Conditions 2011-2012

Introduction

1. ISAs, or Individual Savings Accounts, were set up by the government to encourage people to save. There are two types of ISA, a Share ISA and a Cash ISA. There is further information on both these products below. North London Credit Union (NLCU) only offers Cash ISAs. These guarantee the return of your capital, and (subject to our terms and conditions) pay a **guaranteed** return on the amount invested that is *free of all United Kingdom tax*.
2. The following are the basic features of an NLCU ISA:
 - Interest is free of Income Tax and Capital Gains Tax
 - All adult savings accounts include Life Cover up to age 65 at no extra cost to yourself meaning that in the event of your death your savings balance would be doubled. (Terms and Conditions apply)
 - You can view your account online
 - Depending on your employer, payroll deduction facilities may be available if you are saving regularly
 - Like all deposits invested with us, your savings will be lent to local businesses and individuals to benefit the community
 - **Your savings are completely safe.**

Types of ISA and Tax Relief

3. There are two different types of ISA:
 - The Cash ISA
 - The Share ISA
4. The government fixes annual limits for investment of each type of ISA, and providing these limits are observed and capital gains and/or interest on the investment made is completely free of tax.
5. You can invest up to £10,680 for the 2011/12 tax year (limits vary from year to year, and are fixed by the government), and £5,340 of this can be invested in a cash ISA. You can have up to £10,000 in all the accounts you have with us.
6. You do not need to use all your overall allowance if you cannot afford to or choose not to do so, nor do you need to use all the £5,340 Cash ISA allowance. You could, for example, save £3,000 in a Cash ISA, and invest £7,200 in a Share ISA.
7. By opening a Cash ISA you are limiting the amount of investment in equities that can be made through a Share ISA.
8. Both types of ISA have their relative merits, for example share ISAs may show good capital growth (if the stock market performs well and the ISA manager picks profitable investments), but their value can go down if the reverse happens.
9. NLCU only offers the Cash ISA. It does not advise on the relative merits of cash and share ISAs, nor does it recommend any particular provider of ISAs other than its own.
10. You cannot subscribe to more than one Cash ISA in any tax year, nor can you invest in more than one Share ISA in any tax year.

11. ISA tax allowances cannot be carried over into another tax year, but it is possible to reinvestment funds previously invested in an ISA in another ISA of the same type (to benefit from a better interest rate, for example).
12. If you choose to invest in both types of ISA you may use two different providers for the two elements and it is your choice as to whether you invest in one or all of these elements, for example you may invest up to £5,340 in the North London Credit Union Cash ISA and up to £5,340 in a Stocks and Shares ISA with a suitable provider.
13. NLCU cannot guarantee that the favourable tax treatment given to ISAs will be maintained. It is the government, not NLCU, which is responsible for the allowing tax relief.

The ISA Account

14. Your application is for a Cash ISA with NLCU. There are other types of ISAs available as well (not available with NLCU), and there are other providers of Cash ISAs.
15. The dividend payable on this account will be as advertised, paid annually on or near 5th April each year.
16. A dividend will be paid tax free, on all sums deposited, provided the ISA is not over-subscribed, in which case you will be advised immediately.
17. All dividends payable will be added to your Cash ISA, rendering the amount credited available for re-investment in an ISA.
18. If we do not receive written notification to close the account before the anniversary then the account will automatically be extended for another year and these terms and conditions will continue to apply.
19. We will send you an annual statement detailing all transactions made since the previous statement. You may order further statements at any time you wish, or arrangements can be made to access your account on-line.
20. It is not necessary to make regular additions to your ISA savings, however you may make additional deposits at any time to the Ninety-Day Notice ISA, either by transfer from any other NLCU account or by cheque, or by bank transfer, provided total sums deposits do not exceed the maximum allowance of £5,340.
21. Cheques made payable to NLCU are accepted for investment in an ISA, but if they fail to clear the bank charges imposed on NLCU will be passed on to the account-holder.
22. We cannot accept instructions allowing a third party to sign on an ISA account.
23. In accordance with our responsibilities to the Financial Services Authority, we will satisfy ourselves that any person to whom he delegates any of his functions or responsibilities under the terms agreed with the investor is competent to carry out those functions and responsibilities.

24. We are required to notify the investor if, by reason of any failure to satisfy the provisions of the ISA regulations, an ISA has, or will, become void.

Opening the Account

25. An NLCU Cash ISA may only be opened by and for an individual aged 16 or over who is a qualifying member of NLCU when applying for the ISA. To qualify for membership of NLCU, you must be living or working in the London Borough of Enfield, or be a member of either the North London Enterprise Club or North London Chamber of Commerce, or be a close relative of a member of someone who is a member of one of those organisations.

26. You must maintain a balance of at least £5 in your savings account.

27. An NLCU ISA may be opened by depositing a minimum of £1 and a maximum of £5,340 (providing your total savings with NLCU do not exceed £10,000). Transfers to us can be made by bank transfer, cheque or direct from you pre-existing NLCU savings account, quoting a membership number which we will give you when you open your account.

Maximum Deposits

28. You can invest up to £10,680 for the 2011/12 tax year (limits vary from year to year, and are fixed by the government), and £5,340 of this can be invested in a cash ISA.

29. You can have up to £10,000 in all the accounts you have with NLCU.

Withdrawals

30. Withdrawals can be made on the Ninety Day Notice Rolling Cash ISA account, however the notice period must be served.

31. If you need to make a withdrawal from your ISA immediately from either the 90-day or one-year ISA we may, at our discretion, allow you to do so, but a penalty of the equivalent of up to three months' interest will be charged.

32. All withdrawals (other than transfers to a registered ISA provider) will mean that the funds withdrawn lose their "tax free status". So if, for example, you had saved £1,000 and then withdrew it, you would only be able to pay in a further £4,340 in the 2011/12 tax year before you reach the limit.

Closing/Transferring the Account

33. Notification is required in writing to close the account at any time, and any accrued dividend may be forfeited.

34. On your instruction and within the time stipulated by you, all or part of the ISA we hold for you together with accrued dividends (if any) will be transferred or paid to you, or transferred to another ISA manager.

35. In the event of the death of an account-holder, the balance due will be held until a valid claim for it is made, at which time the it will be transferred in accordance with the instructions received, together with any insurance settlement due. Gross dividend on the account will be paid until the date of transfer, and no penalty will be charged for lack of notice.

36. Any request for cancellation must be made in writing. If you have any questions about your account please call on the above number and one of our staff will be happy to assist you.

General

37. If we add, change or remove any of these terms and conditions we will notify you by post personally, or by newsletter, regarding the change.

38. ISAs are in the beneficial ownership of the account holder and may not be used as security against a North London Credit Union loan.

39. A member of North London Credit Union aged 16 years or over can receive a copy of the annual Report and Accounts (on request) and will be invited to attend the Annual General Meeting as a voting member.

40. If you wish to make a complaint about this account or North London Credit Union you should address it to: The Complaints Officer, North London Credit Union, 3 George Mews, Enfield, Middlesex EN2 6JA. Complaints can be made in person, by post, by fax or by email. A copy of our Complaints Procedure is available on request.

41. We are a member of the Financial Ombudsman Service and all deposits of members are covered by the Financial Services Compensation Scheme.

42. For more information about North London Credit Union's Cash ISAs or any of the other products please contact North London Credit Union on 020 8366 8244 or visit our offices.

Statutory Details

North London Credit Union Limited trades from its registered office at 3 George Mews, Enfield, Middlesex EN2 6JA. Its telephone number is 020 8366 8244, and its e-mail address is info@NorthLondonCommunityFinance.org.

North London Credit Union Limited is supervised by the Financial Services Authority. Its registration number is 213809.

North London Credit Union Limited is Approved by HM Revenue & Customs (HMRC) as a provider of Cash Individual Savings Accounts, under the reference Z1743.

"We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a credit union is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

"In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible depositor's accounts with the credit union, including their share of any joint account, and not to each separate account.

"For further information about the scheme (including the amounts covered and eligibility to claim) please call us on [insert Credit Union phone number] or ask at your local branch, refer to the FSCS website or call 0800 678 1100."