

# Our cash ISAs and how they work

Cash ISAs are simply savings accounts where the interest is paid tax-free. ISA stands for Individual Savings Account.

## There are four types of ISAs

- Cash ISAs are classed as tax-free, i.e. the interest payable is exempt from UK income tax.
- Stocks and shares ISAs are classed as tax efficient.
- Innovative finance ISAs (peer to peer lending ISAs) are classed as tax efficient.
- Lifetime ISAs which can be either classed as savings (tax-free) or investments (tax efficient).

You can subscribe to (pay into) one of each type of ISA in a tax year. A tax year runs from 6 April in one year to 5 April in the following year.

## How much can I put into an ISA?

As ISAs are tax efficient there's a yearly subscription limit on the amount you can save in ISAs. In the 2020/2021 tax year you can save up to £20,000.

## How can I use my annual ISA allowance?

You can put all your allowance into a cash ISA or split it between the different types of ISAs. How you split it is up to you, provided you don't subscribe to more than one of each type of ISA, and in the case of Lifetime ISA do not subscribe more than £4,000 into it.

## Choose the cash ISA that's right for you

We have two cash ISAs to choose from:

- **Instant Access ISA** which gives you the flexibility of instant access to your money and you earn interest at a variable rate.
- **Fixed Rate ISA** which gives you the certainty of knowing how much interest you'll get, but you'll need to leave your money untouched for the term of the product. This pays a fixed rate of interest with a choice of one or two-year terms.

## ISA rules and regulations

- Tax reliefs referred to are those applying under current UK legislation, which may change. The availability and value of any tax reliefs will depend on your individual circumstances.
- To have a cash ISA you must be 16 or over, resident in the UK; or have general earnings from overseas Crown employment or are married to, or in a civil partnership with such a person.
- You should not have subscribed to any other cash ISA in the same tax year.
- If you withdraw money from your cash ISA, you cannot reinvest it in the same tax year if your total deposits will exceed your yearly allowance. Our cash ISAs do not offer Flexible ISA functionality and the most you can deposit during a tax year is the annual allowance, even if you make withdrawals from your account.
- If you want to move your ISAs between providers, there's a transfer process so that you will not lose any of your tax efficient entitlement.
- Your ISA can be topped-up again as long as the total amount you put in does not exceed your tax-free allowance (excluding Fixed Rate ISAs).  
For example, say you opened an instant access cash ISA in the current tax year with an initial deposit of £8,000. Because your tax-free allowance from 6 April would be £20,000 you could only pay in an additional £12,000 during the current tax year, regardless of how much money you withdraw.
- For Fixed Rate ISAs further deposits are not allowed after the start date detailed on the Information Sheet.
- As the Fixed Rate ISA is a fixed term account, you won't be free to make withdrawals during the fixed period (although access to your money is possible, subject to an Early Closure Charge and the closure of the account).

**Interest is paid tax-free which means it is exempt from UK income tax.**

# Additional Information

## Canceling your ISA

You can cancel your account within 14 days from the date of account opening, or the date you received the Terms and Information Sheet if that is later, by:

- writing to your branch (see [rbs.co.uk/branch](https://www.rbs.co.uk/branch) to find your local branch address);
- calling **03457 24 24 24**. **+44 (0) 131 549 8888** from outside the UK.  
(Minicom **0800 404 6160**);
- logging into online banking; or
- visiting your branch.

For Fixed Rate ISA you must put your instruction to cancel in writing to your branch. You can post your written notice or hand it in.

If you don't cancel your account, you'll remain bound by the **Savings Account Terms** and our **Information Sheet** until your account is closed.

## Making a complaint

If you want to complain about our products or services, we want to help. You can find out about our procedures for dealing with complaints by asking in any of our branches, calling us or going to [rbs.co.uk](https://www.rbs.co.uk)

If you still feel we haven't done enough after our complaints procedure, you can talk to the Financial Ombudsman Service.

You can ask in any branch or call us if you want to know more about them. Otherwise, write to: Financial Ombudsman Service, Exchange Tower, London E14 9SR. Call 0800 023 4567.

## Financial Services Compensation Scheme

The product(s) mentioned in this literature is/are covered by the Financial Services Compensation Scheme (FSCS).

The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations.

For further information about the compensation provided by the FSCS, refer to the FSCS website [www.fscs.org.uk](https://www.fscs.org.uk)

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We are entered on the Financial Services Register and our registration number is 114724.

If you're in the Isle of Man, the Channel Islands or Gibraltar, not all the information in this booklet will be relevant to you.