

Clockwise Credit Union Child Trust Fund

Terms and Conditions

Introduction

These Terms and Conditions set out the contract between you and us. They explain our obligations to you and your obligations to us, when you hold a Clockwise, Child Trust Fund Account (CTF).

They are in addition to any other conditions implied or included by law, such as your statutory rights as a consumer, even if they do not appear in these conditions.

A CTF is a scheme of investment managed in accordance with the CTF Regulations under terms agreed between the Provider and the Registered Contact. The CTF must be held in the name of the child.

Definitions

Application form

The form you fill in to open the CTF.

Account Investments

The cash held in the CTF.

Conditions

These Terms and Conditions and the application form.

The Provider

The Provider, Leicester Credit Union Ltd, Registered Office, 25, Mere Road Leicester LE5 3HS

Registered Contact

The child's natural parent; or a person who has legally adopted the child; or a person granted legal authority by the courts.

You

The applicant (Registered Contact) who set up the CTF.

General Conditions

Start date

The CTF will be open as soon as we have received a valid application and voucher from you and any cancellation period has expired.

If we do not accept the application we will return the voucher and any additional contributions to the Registered Contact.

Additional Contributions

Additional contributions can be made by family, friends and the child themselves by Cash, Standing Order Payment (*Quoting the Unique Reference Number*) or Transfer from a Members Share account. You can increase, decrease or stop regular contributions at any time, and lump sum (or one-off) payments can be made to the CTF.

Any payments made over the annual contribution limits will be returned to the Registered Contact (currently £1,200).

The contribution year is based on the child's date of birth and runs from the opening date until the day before the following birthday and thereafter from the birthday to the day before the following birthday.

Regular contributions.

The following payments will be credited on the working day after the day we receive them:

- > Any additional contributions made via one of our branches
- > Payments made by standing order/direct credit
- > Government contributions.

Interest

We will calculate interest daily and credit it to the Child Trust Fund account each year after close of business on 1st April. Interest accrued will be classed as additional contributions towards the annual contribution limit of the CTF.

We will pay a minimum Interest rate of no less than 1% below the prevailing Bank of England Base Rate. If we change our Interest Rate, we will give you at least 30 days' prior personal notice of the change.

Tax

The Regulations say that the child does not have to pay tax on the income or capital gains from the CTF. This may change in the future. Tax benefits will end if the child dies or when they reach 18.

Taking money out

Money cannot be removed from the CTF until the child reaches 18, except if we receive instruction from the Government the child has died or become terminally ill.

In the event of terminal illness we can pay the proceeds from the CTF by:

- > Cheque made payable to the child for the value of the Account Investments, or
- > Direct credit to a nominated bank account in the name of the child for the value of the CTF.

When the child reaches 18

Shortly before the maturity of the CTF (i.e. when the child reaches 18) we will inform the child of the maturity value and the options available for their investment, and ask them to choose one. If the child does not inform us of their preferred option the Account balance will be transferred to a standard Members Share Account.

No money can be paid out from the CTF until we have verified the child's identity

Terminal illness

If the child has become terminally ill the Registered Contact must make a claim to the Inland Revenue to be allowed access to the money in the CTF. If the Inland Revenue agree the claim they will send a confirmation letter to the Registered Contact and instruct the Provider to allow access to the money held in the CTF.

In addition, access to the money held in the CTF can be granted to the Registered Contact upon presenting us with the letter they have received from the Inland Revenue. The only person who can withdraw money on behalf of the child in this instance is the Registered Contact. Any money taken from the CTF would count towards the annual contribution limit if it is paid back in during the contribution year in which it was withdrawn. The CTF will be kept open (unless the child dies) even if there is no money in it.

When we can keep money from the CTF and/or Holding Account

We can use any cash in the CTF to pay any tax or other amount necessary to the Inland Revenue or other government agency in relation to the CTF Account.

Statements

Until the child reaches 16 we will send statements every year to the child within a period of 61 day before or after the child's birthday, care of the Registered Contact and these will meet the requirements of any relevant regulator. In the event of there not being a Registered Contact we will send the statement to the child directly.

Each statement will contain a note of the value of the child's investments within the CTF Account, details of any Government contributions and any transactions carried out, including interest credits, since:

- > You set the CTF Account up, or
- > The date of the last statement, if later.

Once the child reaches 16 the statements will be sent directly to the child.

Ownership

The child owns the money in the CTF either directly or indirectly, as explained in these Terms and Conditions. The Registered Contact is responsible for managing the CTF until the child reaches 16, at which point the child should apply to take responsibility for the CTF. After the child reaches 16 the Registered Contact has no further rights of control over the CTF Account.

Change of Registered Contact

To change the Registered Contact on a CTF the new Registered Contact must complete a new Registered Contact form. Also, if there is an existing Registered Contact, then they must confirm in writing they agree to relinquish control before another person can take over. However, the agreement of the Registered Contact is not needed in the following cases:

- > On the death of the Registered Contact
- > Where the Registered Contact cannot be contacted (this is assumed to be after one item of mail has been returned undelivered)
- > Where a court order, which placed a person as a responsible person for the child, has expired
- > Where a court orders that the person who is the Registered Contact cease to be so
- > Where the existing Registered Contact is the natural parent and the new Registered Contact is the adopted parent, or
- > Where the child has reached 16.

Shortly before the child reaches 16 we will send them a form which must be completed to allow them to take over control of the CTF and Holding Account.

Other people

Our relationship is with you and the child and we will not recognise the interest or claim of any other person, unless, by law, we have to.

If the Registered Contact becomes mentally incapable of managing the CTF and Holding Account we may allow a person appointed by the court to take over the role of Registered Contact as outlined above.

Transferring a CTF from another Provider

You can move all of the CTF from another Provider to Clockwise by completing a transfer in form.

Upon receipt of this form we will contact your existing Provider to arrange the transfer of any money.

An acknowledgement letter will be issued to the Registered Contact at this point. Transfers in from another Provider must be in the form of cash. The transfer will depend on the other Provider agreeing.

If you ask to transfer the CTF to another Provider we will send you a statement of the value transferred. We will not charge you for transferring the CTF.

Transferring a CTF to another Provider

The Registered Contact can ask us, at any time, to transfer the CTF to another Provider. We will normally do this within 30 days of receiving your request; however, you may request a date after this period if you wish. Under the Regulations, we can take up to 30 days to do this. The transfer will depend on the other Provider agreeing.

We will credit the CTF with the interest due to the date of transfer; we will pay the proceeds to the other Provider on a date we, you and the other Provider agree. We cannot do this until we have verified your identity (where necessary).

Before completing a transfer out we must be in receipt of a transfer application form signed by the Registered Contact. Payment will be made in the form of BACS payment or cheque to the new Provider.

When may we close the CTF?

We can close your CTF if we have been instructed by the Inland Revenue the CTF has become 'void', in which case we will give you written notice straight away, and we will have to close the CTF.

If we close the CTF, we must follow the relevant Regulations. We will not be liable to you for any loss, liability or damage you suffer as a result of closing the CTF. We will give you all relevant information and certificates relating to tax you need under the Regulations. We will pay the proceeds of the CTF to you in the name of the child or as advised by the Inland Revenue.

When may we no longer be a CTF Provider?

We will give you three months' notice if we plan to stop being a CTF Provider because:

- > We decide in good faith it is no longer possible for us to keep to the Regulations, or
- > We decide managing the type of CTF is no longer in the interests of the Credit Union and members.

Cancellation Rights

If you cancel the CTF before it is open we will return the voucher to the Registered Contact. **You cannot cancel** a CTF after it is open; you can only transfer it to another Provider.

Cancellation rights do not apply to any application made in person at one of our Collection & Information point or our office where no advice has been given on opening a CTF account with Clockwise or to transfers in from other Providers,.

If you do want to cancel please contact our office, as soon as possible as **you cannot cancel after the CTF is set up**, at **20, Pocklington Walk, Leicester LE1 6BU, 0116 247 1740**.

If we cannot provide services

If we cannot provide services because of something beyond our reasonable control (including strikes, industrial action or the failure of equipment or power supplies), we will not be liable to you for any loss you may suffer.

Liability

We have no liability for errors of judgement or for any other action we have taken in good faith, or not taken, in connection with the CTF Account, unless there has been default or negligence by us. However nothing in these Terms and Conditions excludes or restricts any liability we may have by law or as a result of breaking the rules of a Regulator or as a result of breaking the Regulations.

We will not be responsible for any loss of opportunity through which the value of the CTF Account could have been increased, unless the loss is caused by our default or negligence.

We are covered by the Financial Services Compensation Scheme (FSCS).

You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. You can get more details from us, directly from the Financial Services Compensation Scheme online at www.fscs.org.uk or by contacting them at Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portoken Street, London E1 8BN, United Kingdom, Fax 020 7892 734.

In relation to our dealings with you, we shall take reasonable steps to ensure fair treatment for you if at any time there is a conflict of interest between you and us or if we have an interest of a material nature.

Changing these Terms and Conditions

(a) We may remove, change or add to these Terms and Conditions or to any details forming part of the contract between you and us at any time for any reason which is valid:

- > To conform with or anticipate any changes in the law, Codes of Practice or recommendations of the Financial Services Authority;
- > To take account of a ruling by a Court, Ombudsman, regulator or similar body;
- > To reflect market conditions;
- > To reflect general banking practice;
- > To make them clearer or more favourable to you; or
- > To rectify any mistake that might be discovered in due course.

The notice we give you will be at least 30 days' prior personal notice if the change is to your disadvantage; otherwise we will give you general notice within 30 days of the change.

(b) We may also remove, change or add to these Conditions or to any details forming part of the contract between you and us at any time and for any other reason which is valid provided the notice we give you will be at least 30 days' prior personal notice.

Changes to Interest Rates

Details of current interest rates can be obtained by telephoning us, visiting any of our Collection & Information point, our office or accessing our website (www.clockwise-cu.co.uk).

If we change our interest rates we will give you personal notice within 30 days of the change

Your Address

The address you give us must be your permanent home and will be the one to which we send any correspondence unless you state otherwise. You must tell us straight away if you change your address and we may ask you to confirm it in writing.

If more than one item of mail is returned to us undelivered or unopened we will stop any further correspondence being sent until you contact us.

We will require proof of change of address for you or the child.

Verifying your identity

We may verify your identity to comply with the UK Money Laundering Regulations 1993. To verify your identity, we may make searches about you at credit reference agencies who will supply us with this information, including information from the Electoral Register. The agencies will record details of the search whether or not your application with us has been successful. The searches will not be seen or used by lenders to assess your ability to obtain credit. Credit searches and other information which is provided to us and/or credit reference agencies, about you and those with whom you are linked financially may be used by Clockwise and other companies if you, or other members of your household, apply for other facilities including insurance applications and claims. This information may be used for debt tracing and the prevention of money laundering as well as management of your CTF.

Alternatively we may request, either in writing or by phone, you to provide physical forms of identification.

Complaints

If your complaint is about the way the CTF was sold to you by Leicester Credit Union Ltd, it will be investigated by

The Supervisory Committee, Leicester Credit Union Ltd, 25 Mere Road, Leicester LE5 3HS

If you are not satisfied with the way we deal with your complaint, or if we have not dealt with it within eight weeks you can contact The Financial Ombudsman Service at South Quay Plaza II, 183 Marsh Wall, London E14 9SR, United Kingdom. Telephone 0207 964 1000. Fax: 0207 964 1001.

If you make a complaint, it will not affect your right to take legal action.

Governing law

The law of England will apply to these Terms and Conditions.