

# Key Features of the Beanstalk Junior Individual Savings Account

PLEASE READ THIS DOCUMENT CAREFULLY

The Financial Conduct Authority is a financial services regulator. It requires us, KidStart Limited, to give you this important information to help you decide whether the Beanstalk Individual Savings Account (ISA) is right for you. You should read this document carefully so you understand what you are buying and then keep it safe for future reference. You will also be able to find it on KidStart's website.

## OVERVIEW

The Beanstalk Junior ISA is a Stocks & Shares Junior ISA set up to benefit a child for whom you are the parent or legal guardian. This Key Features Document explains the main features of the Beanstalk Junior ISA.

## ITS AIMS

- To offer a simple tax-efficient account accessed and managed via Beanstalk's app through which you can make investments for the benefit of a child;
- To provide an opportunity for capital growth for the medium to long term;
- To allow you, and others you invite, to contribute up to the Junior ISA subscription limit each year. Within that limit, you can contribute any KidStart Savings you collect on your shopping. You may also transfer an existing Junior ISA or Child Trust Fund (CTF) into a Junior ISA held with us.

## YOUR COMMITMENT

- You must provide us with any information we require when setting up the Junior ISA and agree to be bound by the Beanstalk Terms and Conditions;
- You must tell us about any changes to your contact details, country of residence or citizenship as soon as possible after any change;
- You must tell us if your child already has a CTF or Stock & Shares Junior ISA;
- You must ensure that any regular or one-off contributions do not exceed the JISA subscription limits in each tax year;
- The Beanstalk Junior ISA does not require a minimum commitment to open, but the minimum amount for any contribution or top-up is £10.

## RISKS

- Investments should be regarded as for the longer term because their value can fall as well as rise. We cannot guarantee that your child will get back the amount you originally invested;
- The Government could change the tax rules regarding

Junior ISAs so the Beanstalk Junior ISA may no longer be a tax efficient option;

- If you decide to cancel the Beanstalk Junior ISA within the first 30 days and contributions have been invested, you may get less back than you invested if the value falls in the meantime.

## QUESTIONS AND ANSWERS

### What is a Junior ISA?

A Junior ISA is a tax-efficient way to save or invest for children up to the age of 18 as all income and capital gains within a Junior ISA are exempt from UK tax personal tax. There are two types of Junior ISA: Cash or Stocks & Shares. A child can only subscribe to one of each type during their childhood and Junior ISAs must be held in the sole name of the child.

The Beanstalk Junior ISA is a Stocks & Shares Junior ISA.

### Is the Beanstalk Junior ISA right for my child?

The Beanstalk Junior ISA could be right for your child if:

- you are the parent or legal guardian of the child and the child is under 16;
- you are looking for an account that offers a tax-efficient way to build up investments on behalf of the child;
- you are looking for an account that allows you to invite others, such as grandparents, to make contributions for the child;
- you would like to transfer KidStart Savings you collect on your shopping through KidStart into an account for your child;
- you would like to use the round up facility and other tools within Beanstalk to contribute into your child's account;
- you want the flexibility to make one-off or regular contributions when you feel able;
- you are comfortable that the value can rise and fall.

If you have any doubts about the suitability of the Beanstalk Junior ISA, you should contact an appropriately qualified financial adviser.

## Is my child eligible?

To be eligible for the Beanstalk Junior ISA, your child must be under 16 at the time of application and live in the UK. If the child has an existing CTF or Stocks & Shares Junior ISA, then you must transfer it to us.

## What is the minimum contribution?

You do not need to commit to make any contributions to apply for the Beanstalk Junior ISA. However, the Junior ISA will only be activated by us when:

- the child has collected at least £5 in cleared KidStart Savings;
- you or someone you have invited makes a regular or one-off contribution to the account; or
- you transfer in an existing CTF or Junior ISA.

Any contributions made to the account must be at least £10.

## Are there any maximum limits?

The maximum you can subscribe to a Junior ISA is set by the UK government and typically changes each year. The maximum is £4,368 for the tax year ending 5th April 2020; this is a combined subscription limit for both the Stocks & Shares Junior ISA and any Cash Junior ISA you may also have.

## What are Beanstalk's charges?

Beanstalk has a simple fee structure, which consists of an annual management fee equal to 0.5% of the value of the Beanstalk account.

In addition, the funds we offer have annual charges that are deducted from the funds themselves; these are detailed in the funds' KIDs and are between 0.1% and 0.15%.

More details on charging are available in the terms and conditions.

## Who can pay contributions into a Beanstalk Junior ISA?

The Beanstalk Junior ISA accepts contributions from any of the following:

- KidStart savings earned on shopping through KidStart;
- one-off or regular contributions via direct debit from the registered contact (you);
- one-off or regular contributions via direct debit from other people, for example grandparents, whom you invite.

## Can I transfer a Child Trust Fund to a Beanstalk Junior ISA?

Yes. You can transfer a Child Trust Fund (CTF) into a Junior ISA with us. It must be transferred in full and take the form of a cash payment from your existing provider.

## Can I transfer my existing Junior ISA to a Beanstalk Junior ISA?

Yes. You can transfer your existing Cash and/or Stocks & Shares Junior ISA held with other providers into a Junior ISA with us. A transfer of an existing Stocks & Shares Junior ISA must be in full and take the form of a cash payment from your existing provider.

## Can I transfer my child's Junior ISA to another provider?

You can transfer your child's Junior ISA to another provider at any time; the transfer will be made in cash and you will have to sell any investments held in the Junior ISA prior to transfer.

## What can I invest in?

You can choose to invest in the range of funds offered via the Beanstalk app.

## What is the Key Investor Information Document?

A Key Investor Information Document (KIID) is a pre-sales document which is produced by the fund manager, not Beanstalk. It contains details of the fund in to which you are thinking of investing and includes:

- A short description of its investment objective and policy;
- A presentation of past performance;
- Costs and associated charges;
- The risk/reward profile of the investment, including

guidance and warnings.

### Can I hold cash?

Yes, the Beanstalk Junior ISA includes a cash account. Please note that cash may only be held for the purpose of investing in qualifying investments.

### What is the tax treatment of a Junior ISA?

Both interest or dividends earned by your Junior ISA and capital gains on any growth are free of tax. Where income tax has been deducted, for example on certain interest payments, we will reclaim the tax from HMRC on your behalf as appropriate, and this will be paid back to the Junior ISA account. You do not have to declare Junior ISA interest, income or capital gains on your tax statements.

### Can I withdraw money from my Junior ISA?

No, withdrawals are not normally permitted from a Junior ISA. The only exceptions are in the sad event that the child becomes terminally ill or dies.

### How can I keep informed about my Junior ISA?

Beanstalk has been designed to make it easy for you to track your investments and ensure you are on course to meet your objectives. You can find all information by logging into the Beanstalk app.

We will also email you when regular statements and other notifications are available.

### What happens at 18?

As they approach their 18th birthday, we will contact the child through you to advise that they will become the owner of the Junior ISA and can access the savings as they see fit. On the child's 18th birthday, the Junior ISA automatically becomes an adult ISA. We will explain to the young person the steps required for them to take over management of the account.

### What happens to the Beanstalk Junior ISA if the child dies?

In the event of the child's death, the registered contact must close the Junior ISA by providing us with formal notice in the form of the original death certificate or a copy certified by a

Solicitor or another regulated professional person.

We will hold the existing investments in the account but will not carry out any transactions. From the date of death, the Junior ISA's tax-efficient status will end and any dividends and interest received may be subject to tax and any capital gains may be subject to capital gains tax. The value of the Junior ISA will form part of the child's estate for inheritance tax purposes.

### Can I change my mind?

When your application for the Beanstalk Junior ISA has been made, you will have 30 days in which you can change your mind and cancel your application. You can do this by emailing us and repayments will be made into the bank account you provided us with on application.

If any subscription has been invested at the point you cancel, you may not receive the amount you originally contributed to your Beanstalk Junior ISA if your investments have fallen in value between the date your subscription was invested and the date we receive your cancellation request.

### Can you give me advice?

No. Beanstalk does not provide investment advice as we offer an execution only service. We provide information about investments only to allow you to make your own decision as to which investments you make. If you are in any doubt about the suitability of the Beanstalk Junior ISA for you, you should contact an appropriately qualified financial adviser.

### How are the investments and money in the Beanstalk Junior ISA held?

KidStart Limited has entered into an agreement with Third Platform Services Limited ("TPS"), a firm authorised by the FCA, to provide trading, settlement, custody and associated services. Any cash received from you is held under FCA client money rules in a client money account opened by TPS at a major UK bank.

### Are there compensation arrangements covering the Beanstalk Junior ISA?

Yes. If you meet the eligibility criteria for the Financial Services Compensation Scheme (FSCS) you will be able to seek compensation from the FSCS should we become unable to meet our liabilities to you. For investments, the

level of compensation you can receive from the scheme is 100% of the amount invested up to a maximum of £85,000 per fund manager

If any of the banks holding cash received from you is declared in default, you are entitled to 100% of the first £85,000 in total in compensation for all deposits you hold with that bank.

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

### **What other Terms and Conditions apply?**

Our terms and conditions are set out in full on our website

### **COMPLAINT PROCEDURES**

You should in the first instance contact KidStart Limited via email at [managingdirector@kidstart.co.uk](mailto:managingdirector@kidstart.co.uk) or in writing at KidStart Limited, 10 Plato Place, 72-74 St Dionis Road, London SW6 4TU and we will do everything we can to resolve the problem.

If you are not entirely satisfied with the response you receive you can complain to:

Financial Ombudsman Service  
Exchange Tower  
London E14 9SR  
Telephone 0845 023 4567

Complaining to the Ombudsman will not affect your legal rights.