

keyfacts[®]

Key Features of HSBC InvestDirect and HSBC InvestDirect Plus

Important information you need to read

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How to contact us

If you have any questions or need to contact us, you can phone or write to us.

Telephone

Call us on 08456 002 469
(text phone 18001 08456 088 877).

Our opening hours are:

Monday to Friday: 7.30am to 9.30pm
(excluding Bank Holidays)

Saturday: 10.00am to 4.00pm

Sunday: Closed

To ensure we carry out your instructions accurately, to help us to continually improve our service and in the interest of security, we will record and may monitor your communications with us.

Please note that during busy periods you may experience delays on the telephone.

Post

You can post requests, queries, comments and suggestions to us at:

HSBC InvestDirect

**PO Box 1683,
Frobisher House,
Nelson Gate,
Southampton
SO15 9DG**

Please note: always send valuable documents to us, such as share certificates, by special delivery.

Key Features of these products

The purpose of this document is to provide you with important information to help you decide whether our InvestDirect or our InvestDirect Plus service is right for you. You should read this document, along with the HSBC InvestDirect and HSBC InvestDirect Plus Terms and Conditions, carefully so that you understand the service you are applying for, and then keep them in a safe place for future reference.

The Financial Services Authority is the independent financial services regulator. It requires us, HSBC Bank plc, to give you this important information.

Aims

The aims of InvestDirect and InvestDirect Plus are:

- ▶ To allow you to deal in shares and/or collective investment schemes on an execution only basis either online or by telephone.
- ▶ To hold investments for you on a nominee name basis.
- ▶ To allow you to open a Stocks and Shares Individual Savings Account (ISA) as part of your InvestDirect account. If applying for an HSBC InvestDirect Stocks and Shares ISA, you should also read the HSBC InvestDirect Stocks and Shares ISA Key Features document.

Your commitment

- ▶ You should view this as a medium to long term investment and should aim to keep it for at least five years.
- ▶ You must be at least 18 years of age, have an HSBC Bank current account and, subject to an exception relating to UK Crown servants working overseas – see page 7 for more details, be resident in the UK, Channel Islands or Isle of Man.
- ▶ To manage your own investments and strategies.
- ▶ To ensure you have the money available to settle your trades including commission fees, Stamp Duty Reserve Tax and other taxes, levies or transaction costs as detailed under 'Rates and fees'. This will include any costs arising from voluntary or non voluntary corporate events.
- ▶ To complete any documentation and applications for additional services (as required) such as:
 - a Stocks and Shares ISA application;
 - Trading Reserve request;
 - additional documentation and identification for dealing in US shares.

Risks

The following is a brief summary of some of the risks that you should consider.

- ▶ A share is an instrument representing a shareholder's rights in a company. When purchasing a share you are becoming a co-owner of the company.
- ▶ The value of shares can fall as well as rise and is not guaranteed. You may get back less than the amount you invested.
- ▶ There is an extra risk of losing money when shares are bought in some smaller companies including penny shares.
- ▶ Past performance must not be viewed as an indication of future performance.
- ▶ You will be able to deal in a range of investments each of which carries a different level of risk.

The favourable tax treatment of ISAs may not be maintained in the future if UK tax law and HM Revenue & Customs practice change.

Full details of the risks can be found under the 'Further Information' section of this document.

Product Comparison & Key Features

Feature	InvestDirect	InvestDirect Plus
Free Account Opening	✓	✓
Open a Stocks and Shares ISA (including transferring in any current and previous years' ISAs you may have)	✓	✓
Open accounts in sole or joint names * ¹	✓	✓
Trade in most UK and Irish equities listed on the London Stock Exchange	✓	✓
Trade in government gilts and most UK listed Exchange Traded Funds * ²	✓	✓
Trade in US Stocks listed on: - New York Stock Exchange - NASDAQ - American Stock Exchange		✓
Settle your trades to and from your nominated HSBC Bank account	✓	
Settle your trades from a Sterling Cash Account which is not linked to your HSBC Bank account		✓
Trading Reserve facility * ³		✓
Open foreign currency accounts in Euros and US Dollars for trade settlement only		✓
Frequent Trader rate * ⁴		✓
Online access to comprehensive news and company information	✓	✓
Set-up e-mail alerts, to let you know when a share has met the criteria you have set	✓	✓
Interactive research tools helping you to make informed decisions about what and when to trade	✓	✓
Virtual portfolio to test your trading strategies	✓	✓
View your holdings online	✓	✓
Share Dealing video – demonstration of how the service works	✓	✓
Placing a deal online	✓	✓
Placing a deal on the phone	✓	✓

*¹ For Joint Account Opening currently you can apply via telephone only

*² For a list of the available Funds please refer to: <http://www.etf.hsbc.com/>

*³ Additional application required. The Trading Reserve Facility is subject to approval. Being an existing InvestDirect or InvestDirect Plus customer does not automatically ensure allowance to use the Trading Reserve Facility.

*⁴ If you place and execute 9 qualifying deals (including deals inside an ISA) in a given calendar quarter, you will be charged our lower Frequent Trader Tariff for subsequent deals placed online during the remainder of that same calendar quarter

Questions and answers

What are InvestDirect and InvestDirect Plus?

InvestDirect and InvestDirect Plus are execution only sharedealing and investing services, which means you control your investment portfolio and investing strategies. You can deal online or by telephone, in a range of UK investments, including shares and gilts.

Both InvestDirect and InvestDirect Plus offer a host of comprehensive online research tools, which will help you to stay up to date with market news, information and consensus opinions on most UK listed companies.

What is the difference between InvestDirect and InvestDirect Plus?

The following services are provided by InvestDirect:

- ▶ View all your holdings online.
- ▶ Trade in most UK and Irish equities listed on the London Stock Exchange.
- ▶ Trade in government gilts.
- ▶ Trade in a range of UK Exchange Traded Funds.
- ▶ Open accounts in sole or joint names.
- ▶ Settle your trades to and from your nominated HSBC Bank account (Applicable only to HSBC InvestDirect).
- ▶ Open a Stocks and Shares ISA and benefit from the tax advantages, this includes transferring in any current and previous years' ISAs you may have.
- ▶ Online access to comprehensive news and company information.
- ▶ Set-up email alerts, to let you know when a share has met the criteria you have set.

In addition to the above, InvestDirect Plus also allows you to:

- ▶ Trade in US stocks listed on:
 - New York Stock Exchange
 - NASDAQ
 - American Stock Exchange
- ▶ Open foreign currency accounts in Euros and US Dollars for trade settlement only.
- ▶ Settle your trades to and from your HSBC InvestDirect Sterling Cash Account.
- ▶ A proportion of your holdings may be offset as a Trading Reserve, to allow you to borrow against your investment selections.

We offer a Stocks and Shares ISA, which has no initial charge or annual management fee. For further information please refer to our HSBC InvestDirect Stocks and Shares ISA Key Features document.

Who should apply for InvestDirect?

Investors who like to manage their own investments and strategies, and prefer dealing online. Investors must be at least 18 years of age, have an HSBC Bank current account and, subject to an exception relating to UK Crown servants working overseas – see page 7 for more details, be resident in the UK, Channel Islands or Isle of Man.

How much does it cost to open an account?

The service costs you nothing to open or fund ie, transfer shares or your ISAs to your account.

If you are transferring shares from another sharedealing service you may be charged by your existing service provider. We recommend you check before you request us to transfer them for you.

How do I apply?

To apply for an account, log in to HSBC Personal Internet Banking at www.hsbc.co.uk and select the HSBC InvestDirect option from the left hand column and follow the instructions to apply online. Alternatively, use the contact details on page 2 to call us.

How long does the account opening process take?

The online application, once completed, will be reviewed and if everything is in order your account will open within three business days.

Applications made over the telephone will take longer, as Customer Services will take your details and send the application documentation to you, to read and sign. Once we receive your signed application and it is in order, we will open your account within three business days.

Applications for US sharedealing (within HSBC InvestDirect Plus) will not be actioned until all the additional documents and identification required have been received by us, in accordance with the United States Internal Revenue Services (IRS) regulations.

Can I cancel my application?

For a period of 14 days after we open your InvestDirect Account, you will have the right to cancel this contract and close your account. You must tell us in writing that you wish to cancel.

Thereafter you can terminate your contract and close your InvestDirect Account at any time by writing to us. Whenever you cancel/ terminate your contract and close your InvestDirect Account you will not be charged for doing so.

However, please note that you will not be able to cancel any transactions undertaken via InvestDirect or InvestDirect Plus, once placed in the stock market, where the price depends on fluctuations in the financial market place. You will also have to pay us any monies due at the time you cancel/terminate the contract. If you hold a joint InvestDirect Account all parties must notify us of your wish to cancel/terminate your contract and close your InvestDirect Account.

Can I access the website 24 hours a day?

Yes, excepting our routine maintenance period in the early hours of each Sunday morning (00:00 – 06:00).

Orders placed outside of market hours will be executed as soon as practicable when the stock market opens.

How do I place a deal?

Deals can be placed either online by logging into your InvestDirect account and going to the buy/sell screen or via the telephone if it's more convenient. However, please be aware that dealing charges are higher for deals placed over the telephone and during times of exceptional stock market volumes you may experience long call waiting times due to the number of customers calling. Please refer to our rates and fees detailed under 'Rates and fees'.

How much can I trade?

With HSBC InvestDirect, if we approve your application, we allocate a trading limit of £10,200, which means that all deals placed and yet to settle must not exceed this trading limit. You will need to ensure that sufficient money is available in your nominated HSBC Bank account or Sterling Cash Account to meet the costs of any purchases on the settlement date. If you wish to alter this limit at any time, please contact us.

With InvestDirect Plus you can trade up to the funds available in your Sterling Cash Account.

How do I pay for shares?

InvestDirect has a Settlement Account, which will be opened for you and is linked to your nominated HSBC Bank account. You will be able to view all the transactions you make and any cash dividends you receive, through your online Settlement Account. The proceeds of your deals and dividends will be transferred daily (in a single transaction) to your nominated HSBC Bank account. The money to pay for share purchases will be taken from your nominated HSBC Bank account daily (in a single transaction). Where there is a combination of sales, purchases and dividend distributions, the net proceeds will be taken from or transferred to your nominated HSBC Bank account.

InvestDirect Plus has a Sterling Cash Account, which will be opened for you, but unlike InvestDirect is not linked to your HSBC Bank account. All trades (including dividends) settle to and from this Sterling Cash Account, which must be funded before a trade can be placed. Sale trades placed but not yet settled are accounted for when purchase trades are made.

ISAs held within InvestDirect and InvestDirect Plus do not settle to and from the Settlement Account or the Sterling Cash Account. ISAs must be funded before a purchase can take place. Proceeds from a sale within the ISA remain inside the ISA pending reinvestment. For full details of our Stocks and Shares ISA please refer to the HSBC InvestDirect Stocks and Shares ISA Key Features document.

When will I get my money from a share sale?

Equity trades settle three business days after the date of the trade (T+3) and Gilt trades after one business day (T+1). This means that for an InvestDirect account, money from a sale will go into the Settlement Account on the third business day after the date of the sale. The money will then be automatically transferred to your nominated HSBC Bank account that night. The same timescales apply to InvestDirect Plus, except there is no transfer to an HSBC Bank account. The money stays in the Sterling Cash Account pending your instruction.

How will my stocks and shares be held?

We will open an Investment Account for you in which your stocks and shares will be held electronically. These will be registered in the name of our nominee company. You remain the beneficial owner of the shares.

Nominee accounts make sharedealing easy because the responsibility for looking after all the administration associated with your investments falls upon us. This means we will ensure that your dividends are collected and dealt with according to your instructions.

You will not receive any correspondence direct from the company in which you hold shares, but in most circumstances, we will inform you of any corporate actions. Instructions for which can be given online, by letter or by telephone.

For further information regarding our nominee accounts please refer to the HSBC InvestDirect and HSBC InvestDirect Plus Terms and Conditions.

How do I transfer shares to my InvestDirect or InvestDirect Plus account?

Just complete the transfer form which you can find in the 'Share Transfer' section of the 'Products and Services' page on our website. You need to complete, sign and return the form along with the share certificate to us. We will then arrange to transfer your paper certificate into your investment account. This process normally takes two weeks but may in exceptional circumstances take up to six weeks or longer to complete, during which time you will be unable to sell them.

To transfer shares in from another service provider, just complete the transfer request form which is also found in the 'Share Transfer' section, sign it and return it to us. We will then instruct your current provider to transfer your shares to us. The transfer normally takes two weeks, but may take longer as it depends on your current provider. You will not be able to sell your shares until the process is complete.

How will dividends be paid?

During the account application process, you will be required to select how you want to receive dividends – either in cash or where appropriate, as shares (SCRIP).

Dividends paid in cash will be credited to your InvestDirect Settlement Account or InvestDirect Plus Sterling Cash Account (as appropriate). Cash in your Settlement Account will be transferred to your nominated HSBC Bank account daily.

Where the company permits, dividends paid in shares will be added to your investment account on the dividend distribution date.

Any dividends paid into an ISA will only be paid as cash and be available to invest. Cash in an ISA does not settle to the Settlement Account or Sterling Cash Accounts, but remains

in the ISA pending reinvestment. Unfortunately SCRIP is not offered within an ISA account, shares may be purchased with any available cash balances arising from dividends paid out.

Do you offer a Dividend Reinvestment Plan (DRIP)?

No. We do not currently offer DRIP.

How can I check the value of my portfolio?

Your portfolio of shares and cash (where applicable) can be viewed online at any time. Please note the portfolio balance displayed on HSBC Internet Banking may differ from that displayed on your InvestDirect or InvestDirect Plus portfolio page, as the balance displayed on Internet Banking is a snapshot and is updated overnight, whereas the balances in InvestDirect and InvestDirect Plus will be more reflective of current activity.

When placing a deal is the price quoted guaranteed?

When entering a buy or sell order in UK shares, you will see a "fixed price quote" on the preview order screen where available. A "fixed price quote" is only available on UK share orders when the market is open, and may not be available on large orders (see question "Will I get a fixed price quote on all my deals?"). The "fixed price quote" system automatically contacts a number of market makers to get you the best price offered by these market makers at the time you are trading your shares. The price will be shown with the label "fixed price quote" together with a countdown giving you 15 seconds to confirm the order.

Fixed price quotes are not guaranteed. This is because the prices are offered by third party market makers who may withdraw the price (for example, if there has been market volatility in the 15 second countdown). However, in most cases you will receive the price you accepted.

Will I get a fixed price quote on all my deals?

A "fixed price quote" is available on most UK shares, but only when the market is open. A "fixed price quote" may not be available for large share quantity orders. If you wish to buy or sell a large quantity of shares you should not split your order into a number of smaller orders which may then be executed with a "fixed price quote". This practice is in breach of stock market conduct and may result in your executed orders being cancelled. If we are unable to offer a "fixed price quote", the quote will be labelled "@ best" with a message "The price at which your order is executed may differ from the indication

price". The price you will receive for this will be based on the market price available at the time of the deal and may differ from the "@ best" price shown.

Can I place a deal limited by price (a limit order)?

Yes. We will accept an order to buy or sell a specified investment at a fixed price or better (a limit order). Limit orders remain open for a maximum 28 days. Whilst we will try to execute your limit orders if the limit price is reached, we cannot guarantee to deal at your given price, particularly in fast moving or volatile markets.

Can I sell shares the same day I purchased them?

Yes. Once a purchase has successfully executed, a sale order may be placed.

Can I amend or cancel an order?

Once placed with the market, you are unable to amend an order. You may, however, cancel an order provided that it has not been sent to the market for execution ie, an order placed outside market hours.

Where a limit price has been set, if the limit price is not achieved in the trading period agreed with you (1- 28 days) then the order is automatically cancelled and you will receive a confirmation of this status.

Do you allow short selling?

No, we do not offer a short selling service.

How will I receive contract notes?

We will send your contract notes (trade confirmations) electronically via our secure message service as soon as a deal is successfully executed and, where requested, a paper version of the contract note will be dispatched in the post on the next business day.

What is secure message service?

The secure message service is an email messaging facility that enables you to communicate with us and vice-versa after you have logged on to the secure site. Please note that you should not send any instructions to trade using the secure messaging facility as we will not be able to act upon them.

Can I hold my Stocks and Shares in an ISA?

Yes, you can shelter your investments in a tax-efficient HSBC InvestDirect Stocks and Shares ISA.

For further information please refer to our HSBC InvestDirect Stocks and Shares ISA Key Features document, which can be found in the 'Apply for ISA' section of the 'Products and Services' page on our website.

How much does the service cost?

The service costs nothing to open, but there are charges for dealing and other transactional costs. See below under 'Rates and fees' for further information.

Are there any account closure fees or inactivity fees?

We do not charge you to close your account or if your account becomes inactive i.e., no trading. There is a charge for transferring stock out of your account, either to another broker or directly to you in certificate form. This is charged per line of stock (for example if you hold shares in HSBC and another company this will be classified as two lines of stock and you will be charged the fee twice).

The charge will be taken from your settlement account that will sweep to your HSBC nominated account. Your account may go overdrawn. If you don't have enough money in your nominated account to pay the transfer out charge, we will sell stocks to cover the charge. Remember that if we have to sell stock from your ISA, you will lose the tax benefits of holding that money within an ISA.

Any trades placed that have yet to settle must be settled before your account can be closed.

Please refer to our latest rate and fees for more information on charges.

Can I continue to hold my InvestDirect or InvestDirect Plus account if I no longer live in the UK?

If you become a permanent non-UK resident, unless you are resident in the Channel Islands or the Isle of Man, you will not be able to continue to hold your InvestDirect or InvestDirect Plus account.

If you do not instruct us to transfer any shares and/or money you have in your InvestDirect or InvestDirect Plus account to another provider, we will close your account and forward you the proceeds.

Non-UK residents who are Crown employees, such as a diplomat or a member of the armed forces working overseas and paid by the UK Government, can still open and/or maintain an InvestDirect or InvestDirect Plus account. This also applies to a non-UK resident spouse or civil partner of such a Crown employee.

Rates and fees

	HSBC InvestDirect Deals placed online	HSBC InvestDirect Plus Deals placed online	HSBC InvestDirect and HSBC InvestDirect Plus Deals placed by telephone
UK Shares and Exchange Traded Funds	£12.95	£12.95 £7.95 Frequent Trader Tariff (see below for details)	£29.95
Gilts	£39.95	£39.95	£49.95
	<p>The following Government charges apply:</p> <p>UK Stamp Duty Reserve Tax – 0.5% on purchases of UK registered stocks settled by CREST (rounded up to the nearest 1p)</p> <p>Panel on Takeovers and Mergers Levy – £1 charge on all equity deals over £10,000</p> <p>Non CREST eligible and CREST eligible residual stocks are subject to Stamp Duty of 0.5% (where total consideration is over £1,000) rounded up to the nearest £5.00.</p>		
Shares denominated in Euros	€29.95	€29.95	€49.95
	<p>The following Government charges apply:</p> <p>Irish Stamp Duty – 1.0% on Irish equity purchases</p> <p>Panel on Takeovers and Mergers Levy – €1.50 charge on all Irish share deals over €15,000</p>		
US Shares	Not available	\$29.95	\$49.95 – InvestDirect Plus only
	Securities and Exchange Commission Levy on US equity sale 0.00192% of US\$ trade value		

Frequent Trader Tariff – for InvestDirect Plus customers only

If you place and execute 9 qualifying deals (including deals inside an ISA) in a given calendar quarter, you will be charged our lower Frequent Trader Tariff for subsequent deals placed online during the remainder of that same calendar quarter. Calendar quarters run from January to March, April to June, July to September and October to December.

Limit Orders and orders placed outside of normal UK business hours will attract the dealing charge applicable at the time the order is placed and not when the order is executed.

The following executed deals placed online or by telephone will be counted towards qualifying for the Frequent Trader Tariff:

- ▶ UK (Sterling denominated) Shares
- ▶ UK (Sterling denominated) Shares traded inside an ISA
- ▶ Gilts
- ▶ Exchange Traded Funds

Rates and fees – other charges

HSBC UK Funds of Funds – Initial Charge 1% taken from your original investment.

▶ Annual Management charge	1.25%
▶ Other expenses approximately 0.8% per year	
Transfer stock in	Free
Transfer stock out	£15.00 per line of stock
Electronic Fund Transfer	Free
Priority Payments to another HSBC Bank Account	£20
Priority Payments – for payments outside of HSBC	£30
Trading Reserve – default charge for notifying excess (no charge for initial contact per event)	£25
Trading Reserve – default charge for requiring payment of excess	£40 + VAT
Copy issues of tax certificate or statement	£15 + VAT per copy/trade
Duplicate contract note	£15 + VAT per trade
Charges made for enquiries received in respect of both inward and outward payments and where HSBC Bank has not made an error	£25
Payment alteration Requests eg, cancellations, amendments	£25
Administration charge where payment cannot be effected due to incomplete instructions (this charge is made by the party giving the instruction)	£25
Query requests on instructions over six months old	£50

Currency cut-off times

When you make a Priority Payment, currency cut-off times will apply.

The cut-off time for Euro is 15:30.

For further information, please go to our website.

Further information

InvestDirect and InvestDirect Plus are provided by HSBC Bank plc.

The Account Manager for HSBC InvestDirect Stocks and Shares ISAs is HSBC Bank plc.

HSBC Bank plc is established at 8 Canada Square, London E14 5HQ which is its registered office. HSBC Bank plc is authorised and regulated by the Financial Services Authority and is entered on the Financial Services Register as number: 114216. You can check this on the Financial Services Authority register www.fsa.gov.uk/register/home.

HSBC Bank plc is also registered with the Jersey Financial Services Commission, the Guernsey Financial Services Commission and the Isle of Man Financial Supervisions Commission for banking and investment business. HSBC Bank plc's registered VAT Number is GB365684514.

HSBC Bank plc is a member of the London Stock Exchange. Unless agreed to the contrary, sharedealing transactions placed with HSBC Bank plc will be traded by us in sterling, as either agent or principal.

Suitability of Agreement

Neither the information, nor any opinion contained in our site constitutes an offer to sell or solicitation or an offer to buy any securities or financial instruments or any other products, accounts or services or any advice or recommendation with respect to such securities, financial instruments or other products, accounts or services. Before entering into an agreement you are advised to obtain appropriate legal, accounting and tax advice where necessary. The material contained on our Site is for information only and does not constitute investment or other financial advice or a recommendation to buy or sell investments. As InvestDirect and InvestDirect Plus are execution only services, we are not required to assess the suitability of this service for you. This means that the protection offered by the Financial Services Authority's rules on assessing suitability does not apply to these services.

InvestDirect and InvestDirect Plus are provided for personal use only and are not intended to be used for professional purposes. You will be categorised a retail client in relation to your use of these services, in accordance with the definition published by the Financial Services Authority.

Investing

You may only trade in investments, which we define as all freely transferable equity and debt securities listed on UK exchanges. In addition you may trade open-ended investment companies and investment products linked to an index which are listed in the relevant page of our website or as notified to you from time to time, but excludes derivatives. For InvestDirect Plus, investments also include most shares listed on the NYSE, AMEX and NASDAQ exchanges.

Stabilisation

When a new issue of shares comes on to the market stabilisation may occur. Sometimes the price of newly issued shares can drop before buyers are found. Stabilisation enables the market price of a security to be maintained during the period that the new issue is being sold to the public. It may affect the price of the new issue and the price of other securities relating to it.

The 'stabilisation manager' is normally the firm chiefly responsible for bringing a new issue to market. The stabilisation manager is entitled to buy back securities that were previously sold to investors or allotted to institutions that have decided not to keep them. The effect of this is to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy securities.

Stabilisation is allowed by the FSA and stabilising managers have strict rules that they must adhere to.

Risks

- ▶ A share is an instrument representing a shareholder's rights in a company. When purchasing a share you are becoming a co-owner of the company, you therefore participate in its development as well as in chances for profits and losses which makes it difficult to forecast the precise yield on such an investment. An extreme case would be if the company went bankrupt, thereby eroding the total sums invested.
- ▶ Overseas securities – If you decide to invest in overseas securities or securities denominated in a currency other than Sterling, the value of your investment and income from it could be affected by changes in the rates of exchange between currencies.

- ▶ **Smaller Companies** – There is an extra risk of losing money when shares are bought in some smaller companies including penny shares, as there is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them.
- ▶ **Fixed Interest Securities** – Like all investments available, the value of gilts and other fixed income securities and the income from them can go down as well as up and you may not get back the amount you originally invested. If you purchase gilts above par value and hold them to redemption, you will receive less than you paid for them.

Tax

Depending on the type of payment (dividend or interest), income received in your InvestDirect account may have tax deducted from it before it is paid to us to hold on your behalf, and/or you may be required to pay some tax on the income received via your own tax return.

In addition, any growth in the value of an investment may be subject to capital tax gains if your total capital gains (less allowable losses) from all sources, exceeds your annual exemption limit. This information is based on our understanding of current UK law and HM Revenue & Customs practice. Tax benefits, law and practice may, of course, change in the future. Your tax liability will depend on your own individual circumstances, including your country of residence for tax purposes. If you are unsure about your own situation, you should seek appropriate professional advice.

Conflicts of Interest

We have a strict policy on how we manage any conflict of interest which may arise between your interests and that of other customers, ourselves or other members of the HSBC Group. The HSBC InvestDirect and HSBC InvestDirect Plus Terms and Conditions covers this policy in more detail.

Best Execution

The Best Execution Disclosure Statement contained in the HSBC InvestDirect and HSBC InvestDirect Plus Terms and Conditions provides a summary of the steps we will take to achieve the best possible result for client orders.

Financial Services Compensation Scheme

We 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. 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 the current FSCS limit for deposits. 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, each depositor would have a separate claim up to the FSCS deposit limit and so the maximum amount that could be claimed in total would be twice the current FSCS deposit limit. The FSCS deposit limit relates to the **combined** amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

First Direct and HSBC are both trading names of HSBC Bank plc and customers who hold deposits under both trading names will only be eligible for one claim of up to the FSCS deposit limit in total.

For further information about the scheme (including the current limits, amounts covered and eligibility to claim) please ask at your local branch, refer to the FSCS website www.FSCS.org.uk or call the FSCS on 020 7892 7300 or 0800 678 1100.

For all other enquiries on your account please contact HSBC on 08456 002 469.

Language and Law

These key features and our terms and conditions are supplied in English and we will communicate with you in English during the course of our relationship with you. The terms and conditions are governed by the law of England and Wales as are our dealings with you up until the time you enter into the contract. The English Courts will have non-exclusive jurisdiction over all disputes arising in connection with your relationship with us. Any banking terms and conditions implied by law will also apply to our terms and conditions.

Complaints

If you are unhappy in any way with our products and services then please let us know. On receipt of your complaint, we will send you a copy of our leaflet 'Listening to your comments' which explains how we will handle your complaint. A written copy of our complaint procedures is available on request.

If we cannot resolve your complaint in the first instance, you can refer it to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0845 080 1800

Email: complaint.info@financialombudsman.org.uk

The Financial Ombudsman Service will generally review complaints from retail customers. However, their criteria for reviewing complaints may mean that even if you have been categorised by a provider of products and services as a retail client they may not regard you as an eligible complainant.

Complaining to the ombudsman will not affect your legal rights.

hsbc.co.uk

Issued by HSBC Bank plc.

HSBC InvestDirect: PO Box 1683, Frobisher House, Nelson Gate, Southampton SO15 9DG