

Stocks and Shares ISA to Cash ISA Transfer Guidelines

We recommend that ISA providers adopt the procedures below, devised by representatives of the industry. They are recommendations only and not prescriptive.

The process below is based on the assumption that the customer approaches the new Cash ISA provider to effect the transfer. On the rare occasion that the customer contacts his/her existing ISA provider, s/he should be asked to go direct to the new Cash ISA provider.

This guideline is effective for Stocks and Shares ISA to Cash ISA transfers initiated on or after 1 July 2014, until such time that this guideline is updated.

Note: the term 'days' refers to working days¹. If any instruction is received after normal working hours then it is treated as having been received at the following day.

Process

Step	Action	Timescale	Max. no. of days
1	<p>New Cash ISA provider asks the customer to confirm the request to transfer by completing a Stocks and Shares ISA Transfer Authority Form with a wet signature, unless an alternative agreement is in place between ISA providers.</p> <p>The customer must also complete a transfer application/instruction, where required, which is validated by the new Cash ISA provider.</p> <p>New Cash ISA provider forwards the original Stocks and Shares ISA Transfer Authority Form to the existing Stocks and Shares ISA provider and confirms in writing the basis on which he/she is willing</p>	<p>The process starts on the day the new Cash ISA provider receives the Stocks and Shares ISA Transfer Authority Form from the customer, wherever this is received in the organisation.</p> <p>The new Cash ISA provider has 5 working days to process the customer's instruction and send on to the existing Stocks and Shares ISA provider.</p> <p>First class post or equivalent should be used.</p>	5 ²

¹ Weekends and national bank holidays are excluded and the calendar which applies for bank holidays should be the calendar in operation where the operations centre is based

² Whilst 5 working days is allocated to this step not all of this period will count towards the 30 calendar day timeline for Stocks and Shares to Cash ISA transfers. This is because the timeline commences on whatever date the providers agree to be the 'date of transfer'. The date of transfer will typically be the day the Cash ISA provider sends the Transfer Authority Form (TAF) to the Stocks and Shares ISA Provider and as stated in the Transfer acceptance section of the TAF.

	to accept the transfer (See Transfer Acceptance section on Model Form below)		
1a	In the post		1
2	<p>The existing Stocks and Shares provider places redemption instructions through their normal dealing process.</p> <p>The existing Stocks and Shares ISA provider sends a Stocks and Shares ISA Transfer History Form³ to the new Cash ISA provider.</p> <p>Transfer payments will be made by cheque unless otherwise agreed by providers on a bilateral basis.</p> <p>Multiple payments of sale proceeds may be made dependant on the settlement cycle of the underlying assets. The first payment must be accompanied by information confirming whether any current tax year subscriptions are being transferred and, if yes, the total amount⁴, unless a Transfer History Form including this information has already been sent.</p> <p>The existing Stocks and Shares ISA provider must ensure that each payment is accompanied by sufficient information to identify the payer; the customer; the specific transfer to which the payment relates and the date the payment is sent.</p> <p>The final payment for any individual transfer must be accompanied by a notification which identifies the payment as the final instalment.</p> <p>Any residual income payments must be accompanied by sufficient information to identify the payer; the customer; the specific transfer</p>	<p>The maximum timeframe for actioning Step 2 should be 16 working days, where day 1 is the first day the request is received in the organisation; days 2-15 sees portfolio sale instructions initiated and settlement completed; and payment is initiated on day16 at latest.</p> <p>One payment - The Stocks and Shares ISA provider should initiate payment no later than the end of the business day following the settlement of all assets being liquidated when one payment is made for the full proceeds of the transfer</p> <p>Multiple payments – The Stocks and Shares ISA provider should not unduly delay payments once settlement proceeds have been received for individual liquidations and where payments are made piecemeal to the Cash ISA provider. Each payment should be sent within the same maximum timescale applying to one payment, unless there is a legitimate reason to defer sending a payment.</p> <p>First class post or equivalent should be used.</p> <p>As soon as the existing Stocks and Shares ISA provider recognises that a delay beyond 16 working days is likely to occur, (pending cases excepted⁵) it is their responsibility to notify the new Cash ISA provider and the customer of the reasons for the delay and a likely timetable for resolution.</p>	16

³ This is the Transfer Form (or its equivalent) as covered in HMRC Guidance

⁴ This is the amount of the customer's current tax year ISA subscription allowance that has already been used in the stocks and share ISA, i.e. it is not the actual monetary value of the ISA transfer proceeds.

⁵ See below for the circumstances in which cases can be pending

⁵ Unless PSR/FSA rules dictate that the money is applied earlier.

	<p>to which the payment relates and the date the payment is sent. The ceding stocks and shares ISA provider is to check the new cash ISA provider's terms for receiving residual income payments prior to initiating the payment and should be aware that the payment may be rejected if they fail to do so.</p> <p>The transfer of funds must not be made by electronic means or bulk payment by cheque unless agreement has been reached between the ISA providers.</p> <p>Where information supplied by the new Cash ISA provider and information held by the existing Stocks and Shares ISA provider differ, the transfer should go ahead subject to the existing Stocks and Shares ISA provider being confident of the customer's identity (this is to ensure customer protection) having matched the data to a sufficient degree to identify the correct customer and is satisfied which ISA account, or part of the account, is to be transferred.</p>		
2a	In the post		1
3	Once a Transfer has been received by the new Cash ISA provider, it should not be rejected without first contacting the existing Stocks and Shares ISA provider using the contact details on the TISA database.	The new ISA provider should apply the transferred funds to the customer's account within 3 business days of receipt.	3 ⁵
	<u>TOTAL DAYS</u>		<u>26</u>

Chase-up Process between steps 1 & 2 if required

If the new Cash ISA provider has not heard anything from the existing Stocks and Shares ISA provider within 10 working days after sending the Stocks and Shares ISA Transfer Authority Form, it is the responsibility of the new Cash ISA provider to check the progress.

ISA providers should use the most appropriate medium of communication in the prevailing circumstances.

Pending Cases

Cases should be pending where:

- the customer has expressly requested the transfer to take place at some future date, or
- a customer's account has a restriction on it (i.e. notice account / fixed term / maturity / redemption date) where to transfer immediately would cause the customer to incur a financial charge unless the customer has indicated that they are willing to pay the charge. or
- the terms & conditions restrict access and therefore do not permit the transfer to another ISA provider [prior to] [until] a future date.

Transfers cannot be pending due to errors/omissions on the transfer form or where additional information is required from customers or the other ISA provider involved in the transfer.

The day a pending case is actioned (pending) by the existing Stocks and Shares ISA provider does not count in the timescales for either provider.

The first day the money becomes "free to move" does count towards the timescales for both ISA providers.

The existing Stocks and Shares ISA provider **MUST** inform the new Cash ISA provider of pending a case in an agreed format. This is assumed to be letter in the absence of any other agreement. This communication must include, **the date on which the case was pending** (which is not counted by either provider) and **the first date the account is free to move**.

Where a customer's account is free to move within just a few days of the transfer request being received by the existing Stocks and Shares ISA provider, the provider has discretion not to pending the case but to simply process the case when it is free to move, so long as they still complete the transfer out within the 16 working days requirement (with no days permitted as pending). This is to remove the need for costly and time-consuming communication between organisations for cases that can be completed within 16 working days, even though the funds may not be free to move for a day or so.

It is at the individual ISA provider's discretion as to whether they notify customers that their transfer has been pending. However, it is recommended that the existing Stocks and Shares ISA provider informs the customer, except where the customer has specifically stated that they do not want the transfer to take place before a certain date or event.

Data Security

ISA providers should liaise with one another to establish secure transfer channels in accordance with their obligations under the Data Protection Act.

Resolution

TISA maintains two secure databases containing the contact details of ISA providers. These databases are for access only by other ISA providers for the purpose of resolving and escalating protracted transfer issues. All ISA providers should keep their contact details up to date **at all times** on both databases to support the correct direction of transfers and other communications between providers. Contact details should include telephone, e-mail and address and office working hours, for telephone contact in particular.

The TISA databases should also be populated with contact details of where to refer Transfer Out / Transfer In correspondence – as this can distinguish between where ISA providers

want the initial request correspondence to be directed (e.g. central address or branch) and any ongoing correspondence.

Providers should inform TISA of a change in contact details at least 2 working days prior to this change becoming effective via the following e-mail address - isatransfers@tisa.uk.com

Case Abandonment

A case can only be abandoned where the customer is the primary cause for the delay. Cases where the existing Stocks and Shares provider is the primary cause for delay would not be abandoned and the new Cash ISA provider would continue to pursue the case through the cross-industry chaser and resolution procedures.

Where the new Cash ISA provider is only willing to accept a transfer by a given date and funds are received after this date the new provider may choose to make contact with the customer to consider possible alternatives to returning the funds. The new provider would retain the right to repatriate the funds if no alternative solution can be agreed.

If the new provider is unable to accommodate the transfer or is unwilling to accept it due to the current year ISA limit being exceeded as a result of ISA subscriptions made to both ISA providers, then the old provider could use one of the following remedies, as set out in HMRC ISA Guidance Notes 11.33a:

- reinstate the original ISA subject to market price movements and product restrictions, or
- offer another product to the customer and effect an internal transfer, or
- allow the customer to transfer to another provider.

A case can be abandoned 2 months post the expiry of the initial 26 working day transfer timescale.

On abandoning a case the new provider must inform the customer that they have abandoned the case citing a reason.

Providers should review what action to take where funds are received post case abandonment, they can either accept, decline or contact the customer to arrange a new account for the funds to be put in (if for example the previous fixed rate is no longer available).