

The Financial Services Authority is the independent financial services regulator. It requires us, Leeds Building Society, to give you this important information to help you to decide whether our 1 Year Fixed Rate ISA (Issue 13) is right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference.

Summary Box - Key Product Information for our Savings Account(s)	
Account Name	1 Year Fixed Rate ISA (Issue 13)
Interest rates (AERs)	2.25% Tax-free <sup>1</sup> p.a./AER*
Tax Status	This is a tax-free account so interest payable is exempt from income tax.
Conditions for bonus payment	There is no bonus available on this account.
Withdrawal arrangements	Withdrawals/transfers can be made up to 25% of your capital investment without notice or loss of interest prior to maturity (30 September 2011). If you exceed this limit, the account will be subject to 90 days loss of interest or an equivalent amount on the amount withdrawn/transferred. Partial transfers are not permitted on current years' subscriptions in accordance with the ISA Regulations. If you wish to transfer before 6 April 2011, you must transfer all your investment and 75% of your investment will be subject to 90 days loss of interest and your account will be closed.
Access	Account can be opened through any of our branches, via our website or by post, and can be operated through any of our branches or by post.

Rate correct as at 1 September 2010. Tax-free means that interest payable is exempt from income tax. \*AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and added each year.

**Other Product Features**

**Minimum and maximum investment and operating balance**

The minimum investment and operating balance is £1. The maximum investment is £5,100 in 2010/11 tax year plus previous years' subscriptions, whether held with the Society or another ISA provider.

**When is interest paid?**

Interest is paid on 5 April 2011 and on maturity (30 September 2011).

**How is interest paid?**

Annual interest can either be credited to the account or transferred either to another building society/bank account or to another account held with the Society. Where annual interest is credited to the account then all interest earned can be withdrawn between 6 and 30 April each year without notice or loss of interest.

**Transfers in**

To transfer all or part of your existing ISA from another ISA provider, simply complete the ISA Transfer Request Form and cash ISA application form (if required) and we'll do the rest. Please note HM Revenue & Customs guidelines state that the ISA provider has up to 30 days to complete the transfer.

**Transfers out**

Transfers can be made of up to 25% of your capital investment to another ISA provider before maturity (30 September 2011) without notice or loss of interest. If you exceed this limit, the account will be subject to 90 days loss of interest or an equivalent amount on the amount transferred. Partial transfers are not permitted on current years' subscriptions in accordance with the ISA Regulations. If you wish to transfer before 6 April 2011, you must transfer all your investment and 75% of your investment will be subject to 90 days loss of interest and your account will be closed.

**What happens to my investment at maturity?**

Your 1 Year Fixed Rate ISA (Issue 13) will mature at close of business on 30 September 2011. At the end of the fixed term, subject to Government legislation, your account will remain an ISA. On the day after maturity (1 October 2011), the Society will transfer

your investment (including interest) to a maturity ISA product. Full details, including terms and conditions, will be provided before maturity.

**What is an ISA?**

An ISA is simply a way of investing your money, tax-free. ISAs have no set investment period, although there are limits on the amount you can invest. There are two types of ISAs: cash ISAs and stocks and shares ISAs.

**The basics:**

- ♦ In the tax year beginning 6 April 2010, an individual can invest up to £10,200 in ISAs (£5,100 in a cash ISA).
- ♦ You can invest in each tax year, subject to the appropriate limits.
- ♦ You can open a cash ISA if you're 16 or over (18 for a stocks and shares ISA) and you're ordinarily resident in the UK.
- ♦ It is likely that ISAs will be available for the foreseeable future, although their tax treatment may change.
- ♦ You can withdraw money from your cash ISA at any time, and your interest will still be paid, tax-free, (please note, for some products early withdrawal/transfer charges may apply).

**Cash ISAs**

You can invest in one cash ISA in each tax year. The current annual subscription limit is £5,100 for a cash ISA (subject to the overall annual subscription limit of £10,200). Cash ISAs are ideal if you want to save cash. You can withdraw money from a cash ISA at any time, and your interest will still be paid tax-free (although withdrawal/transfer charges may apply for some products).

**Stocks and shares ISAs**

You cannot subscribe more than £10,200 to a stocks and shares ISA in each tax year. Where you subscribe to both a cash ISA and a stocks and shares ISA, the amount subscribed must not exceed the overall subscription limit of £10,200.

**You are only allowed to invest in one cash ISA and one stocks and shares ISA in each tax year.** Leeds Building Society doesn't offer stocks and shares ISAs but can offer you a stocks and shares ISA through our relationship with Aviva.

**Product Terms & Conditions**

The Society's General Investment Conditions will apply unless (and to the extent) they are inconsistent with these Terms and Conditions.

**1 Year Fixed Rate ISA (Issue 13)**

Effective from date of account opening.

1. Only one cash ISA may be opened by an individual in any one tax year.
2. A cash ISA may not be opened unless the individual is aged 16 or over and is resident and ordinarily resident for tax purposes in the UK.
3. The cash ISA limits must not be exceeded in the any tax year.
4. A cash ISA may not be held in joint names.
5. A cash ISA cannot be opened by a person other than the account holder except where someone is unable to complete an application form due to physical or mental incapacity and the Society is provided with such evidence/documentation as it may require (although the account must be in the name of the person incapacitated).
6. ISA investments will be, and must remain in, the beneficial ownership of the account holder and must not be used as security for a loan.
7. The operation of the account is subject to the applicable provisions of the ISA Regulations. The Society will notify you if, by reason of any failure to satisfy the ISA Regulations, the ISA has, or will, become void.
8. A cash ISA will cease to qualify for tax exemption from the date of death of the account holder. Interest earned will be treated as tax exempt until the date of death, but thereafter tax will be deducted at the appropriate rate.
9. On your instructions and within such time as you shall stipulate (provided that the Society shall have up to 7 days for practical implementation of any such instructions), the ISA or part of the ISA, shall be transferred to another ISA Manager without loss of tax-free status (provided that any such transfer is in accordance with the ISA Regulations). However, if you transfer more than 25% of your capital investment before maturity (30 September 2011) the account will be subject to 90 days loss of interest or an equivalent amount on the amount transferred.
10. On your instructions, and within such time as you shall stipulate, all or part of the investments held in the ISA and the proceeds arising from those investments shall be transferred or paid to you. However, if you withdrawal more than 25% of your capital investment before maturity (30 September 2011), the account will be subject to 90 days loss of interest or an equivalent amount on the amount withdrawn.
11. The Society will satisfy itself that any person to whom it delegates any of its functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities.
12. The tax treatment of ISAs may change.
13. The 1 Year Fixed Rate ISA (Issue 13) will mature at close of business on 30 September 2011. On the day after maturity (1 October 2011), the Society will transfer your investment (including interest) to a maturity ISA product. Full details, including terms and conditions, will be provided before maturity.
14. Interest will be paid on 5 April 2011 and on maturity (30 September 2011).
15. Annual interest can be credited to the account or transferred either to another building society/bank account or to another account held with the Society. Where annual interest is credited to the account then interest can be withdrawn between 6 and 30 April each year without notice or loss of interest.
16. From the date of account opening the interest rate will be fixed as stated until maturity. Please refer to the Key Facts for full details.
17. The 1 Year Fixed Rate ISA (Issue 13) is a limited issue and may be withdrawn without notice.
18. Further subscriptions in future tax years are not permitted but you may transfer in previous years' subscriptions, whilst the issue remains open for further investments.
19. The fixed interest rates are related to long term market rates at the time of issue. Future fixed rate products may be offered at higher or lower rates depending upon the changes in market conditions.

**Please note:** the tax treatment of ISAs may change. This is a cash ISA. You may only subscribe to (invest in) one cash ISA in each tax year (although in any such year you may also subscribe to a stocks and shares ISA, subject to the overall ISA subscription limits). By opening a cash ISA you will be limiting the amount you can subscribe to a stocks and shares ISA. For further information about ISAs (including subscription limits) please refer to the Society's leaflet 'Easy Step Guide to Tax-free Savings'.

## What about income tax?

The gross rate of interest shown will be payable net of the appropriate rate of income tax (which may be reclaimed by non-taxpayers) or, subject to the required certification, gross. If you are a non-taxpayer and require your interest to be paid gross, an 'Interest with no tax deducted' form is available on request. The tax treatment depends on the individual circumstances of each customer and may be subject to change in the future.

## What if I change my mind?

From the date of account opening you have 14 days to notify us (in writing) if you are not happy with your choice of account. Please write to Investment Services, 105 Albion Street, Leeds LS1 5AS. Within that period we will, if instructed by you, refund your investment with interest from account opening, or subject to eligibility, transfer the investment to another account of your choice without any charge for early withdrawal.

## What if I have a complaint?

We aim to provide a high quality service to customers at all times. Unfortunately mistakes do occur, but when this happens we shall do our best to resolve problems or misunderstandings which arise. Should you need to refer a matter of complaint to us, details of the procedure are available from your local branch or our Customer Helpline. Ultimately, your complaint may be referred to the Financial Ombudsman Service, of South Quay Plaza, 183 Marsh Wall, London E14 9SR or to the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

## How to open an account

To open an account at one of our branches or by post you will need to provide the following:

- A completed and signed application form; and
- A deposit for your investment (for postal applications, a personal cheque is preferred).

## Verifying your identity

Under the Money Laundering Regulations and Financial Services Authority rules, we are required to verify the name, address and date of birth of investors. To do this, we will ordinarily use an electronic verification system.

For branch applications, you will also need to supply additional proof of your identity, preferably in the form of a full UK or EU photo driving licence or a valid UK or EU passport. For postal applications, you will need to supply a certified copy of one of the above documents or an original utility bill which is less than 3 months old (not a mobile phone bill). For details of other forms of acceptable identification, please contact your local branch (for branch applications) or call our Customer Helpline on 0113 225 7777 (for branch or postal applications).

## Existing Customers

If you already have an open account with us, you do not ordinarily need to provide any proof of your name or address. Please ensure you write your existing account number in the space provided on the application form.

Leeds Building Society is a member of the Building Societies Association. The Society is a participant in the Financial Services Compensation Scheme established under the Financial Services & Markets Act 2000. Payments under this scheme are limited to a maximum of £50,000 or €50,000 (whichever figure is higher on the day of default) of an investor's total shares and/or deposits in a society. Most investors are covered, including individuals and small firms. A small number of categories of shares and deposits are not covered, for example deferred shares - permanent interest bearing shares. Although most shares and deposits are denominated in sterling, all other currencies are covered. Further details are available on request from the Society.

The Society is covered by the Financial Ombudsman Service. We may monitor and/or record your telephone conversations with the Society to ensure consistent service levels (including staff training).

The Society's main business is the provision of savings products, mortgages and general insurance. The Society offers some investment products that may be operated through branches and by post and certain products, which can be operated by post only.

Leeds Building Society is authorised and regulated by the Financial Services Authority and our registration number is 164992. You can check this on the FSA Register by visiting the FSA website at [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk) or by contacting the FSA on 0845 606 1234.

Other taxes or costs may exist that are not paid by Leeds Building Society.

**Large text, Braille and audio tape versions of our brochures are available on request.**

Rates are correct at time of printing.