

# The Onshore Bond

## Product guide



Countrywide Assured

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# Helping you decide

- Countrywide Assured plc (“Countrywide Assured”) is the provider of the Onshore Bond.
- Countrywide Assured is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. The firm reference number is 141916.
- CASFS Ltd (“CASFS”) is authorised and regulated by the Financial Conduct Authority. The firm reference number is 472783.
- Where we refer to Countrywide Assured plc in this document, this includes CASFS where appropriate.

Both the FCA and the PRA are referred to as the regulator throughout this document.

Our regulator requires Countrywide Assured to prepare a *Solvency and Financial Condition Report* in line with the *Solvency II Regulations*. This report outlines the nature of our business, how it is managed and its solvency position. A copy of the report can be found on our website [www.countrywideassured.co.uk](http://www.countrywideassured.co.uk)

The regulator requires us, Countrywide Assured, to give you this important information to help you decide whether the Onshore Bond 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.

Your financial adviser will produce for you a key features illustration which is intended to show what an investment through the Onshore Bond could mean for you. That document forms an important part of this document and you should read it with this document and keep it safe for future reference.

If there is anything you don't understand or aren't sure about, please get in touch with your financial adviser or call our client services team on 03330 155 600. You should read and understand the features of the Onshore Bond before deciding whether to continue with the contract.

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# The Onshore Bond product guide

## Aims of the Onshore Bond

### The main aims of the Onshore Bond are to:

- Provide growth on your investment over the medium to long term (at least five years, ideally longer) through a life assurance policy that offers the potential to defer higher and additional rate tax on income and growth.
- Provide a tax-efficient 'income' stream should you require it.
- Provide access to a wide range of investments, which form the underlying assets.
- Provide a cash sum on the death of a sole life assured, or if more than one life assured on either the first or last to die.

Please note that 'income' is achieved by regular encashments and is referred to as 'regular withdrawals' in this document.

## Your commitment

- To open an Onshore Bond, you must be prepared to invest £50,000 or more. (Please refer to the Features & Charges). There is no fixed term but you should be prepared to invest for at least five years, ideally longer.
- To make the ongoing selection (either by your nominated investment manager or by you acting through your financial adviser, as applicable) of the investments, from a range made available for the Onshore Bond, that determine the performance.
- To ensure that there is sufficient cash in your fund to meet charges and any regular payments as they become due.
- To ensure you understand the risks and charges associated with the Onshore Bond.
- To review your investment regularly with your financial adviser to ensure it continues to meet your needs.

## The risks

There are certain important features and factors which may affect the performance of your Onshore Bond. You should always discuss these with your financial adviser before you make any decisions:

- Investments are stock market-based and what you get back will depend on the performance of your investments. The value can go down as well as up and you may not get back the amount originally invested.
- The performance of funds holding assets denominated in foreign currency will also be affected by variations in currency rates.
- The value of your Onshore Bond is likely to fluctuate daily, in line with movements in the value of the underlying investments.
- Depending on the nature and spread of investments, you must be prepared to accept the associated degree of risk and volatility in its value.
- If you (acting through your financial adviser) or your investment manager selects an investment strategy that has potential for greater-than-average growth, you must accept that there will be a greater risk that the value of the investments may also fall.
- What you get back is not guaranteed. It may be worth less than illustrated, if:
  - the investment performance is lower than illustrated.
  - you take more money out than illustrated.
  - the deductions are more than illustrated.
- If you exercise your right to cancel as explained under 'Can I change my mind?', you may get back less than your original investment. In addition, any adviser fees paid to your financial adviser will not be returned to you. You will need to seek any repayment of the adviser fees, if applicable, from your financial adviser.
- If, for any reason, an underlying investment or investments proves difficult to sell when the time comes to encash your Onshore Bond or where ad hoc or regular withdrawals are requested, there may be a delay in benefits being paid.
- If the value of your Onshore Bond falls below a minimum level we reserve the right to cancel the bond and pay you the remaining value less any charges due. Details of the minimum balance can be found in our *Onshore Bond features and charges* document.

# Questions and answers

## What is the Onshore Bond?

The Onshore Bond is a single premium investment-linked life insurance bond. It can be either held in the ownership of up to two individuals or, where held in a trust, up to four trustees. There is no fixed investment period, although your life insurance bond should be considered a medium to long-term investment; at least five years, ideally longer.

Your Onshore Bond ends on the death of the relevant life assured and a death benefit becomes payable (see 'What happens on the death of the life assured?'). Where there is more than one life assured the death benefit is payable on either the death of the first life assured or last life assured as selected at outset in the application form. The maximum number of lives assured you can select is six.

## Who is it aimed at?

The Onshore Bond is aimed at individuals or trustees who:

- Require regular tax efficient withdrawals.
- Are active investors and wish to avoid triggering a personal tax charge during the term of the investment.
- Regard simple tax administration as an advantage.
- May wish to consolidate investments within one wrapper for ease of administration (including reduced paperwork).
- Are higher or additional rate taxpayers:
  - who expect to become basic rate taxpayers when the bond is surrendered (e.g. on retirement); or
  - who are able to assign the bond to a basic rate tax payer (such as a spouse) prior to surrender.
- Wish to mitigate the effects of inheritance tax by taking advantage of specialised trust arrangements.

## Who is it not aimed at?

The Onshore Bond is unlikely to be suitable for individuals who:

- want a low-risk investment;

- have less than £50,000 to invest;
- are looking for a short-term investment;
- have not taken full advantage of their annual CGT exemption or ISA allowance; or
- are likely to be higher or additional rate tax payers at the time of surrender.

If you are considering investing for less than five years, and are uncomfortable with the thought of your investment fluctuating in value or require a certain amount of cash at a specific date in the future, the Onshore Bond may not be right for you.

The Onshore Bond is not available for corporate investors.

## How will it work for me?

With this document is an illustration showing how the Onshore Bond might work for you. It is unlikely that your Onshore Bond will perform exactly in this way, but it is provided to give you an idea of how it may work. This leaflet will answer some of your questions and give you some guidance on how to find out more from your financial adviser.

## What are the age limits?

Up to two people (or where the Onshore Bond is held in trust up to four trustees), who must be over 18, can apply for an Onshore Bond. If you make a joint application, you will have joint ownership of the Onshore Bond.

There may be up to six lives assured on the Onshore Bond; if there is only one life assured, that person's age must not be more than 90 at the time the application is made. Where there is more than one life assured, you can choose whether the death benefit is payable on the first or last death. If the first death is chosen, the age of the oldest life assured must not exceed 90 at the time the application is made. If the last death is chosen, a maximum age of 90 applies to the youngest life assured at the time of the application.

You should note that the life or lives assured are selected in your initial application. It is not possible to add or remove lives assured during the lifetime of your Onshore Bond.

## How does it work?

The value of your Onshore Bond, and therefore your entitlement to benefits provided by your Onshore Bond, is determined by the value of the assets it invests in. The assets in our Onshore Bond will be owned by Countrywide Assured. Your right is to the benefits payable under the Onshore Bond in accordance with the *Onshore Bond Terms and conditions*.

Your Onshore Bond must be invested in accordance with the investment restrictions set out in the *Onshore Bond Terms and conditions*. A sufficient amount of cash must be retained in your Onshore Bond to meet applicable charges and withdrawals.

Each Onshore Bond is notionally divided into units and all units have an equal value. We create units (for example where investments are allocated to your Onshore Bond) or cancel units (for example to make payments in respect of charges and withdrawals) in the Onshore Bond as appropriate.

You may elect to have your Onshore Bond managed by a discretionary investment manager, or a financial adviser either on a discretionary basis (where appropriately authorised) or in accordance with your agreement and/or instructions. Your Onshore Bond may be managed via an investment wrap platform ('platform') provided the platform has been approved by Countrywide Assured, the platform has accepted your application and your financial adviser and investment manager (as applicable) have established arrangements with the platform. Where you have elected to manage investments via a platform, the cash account will be held by the platform in accordance with its terms and conditions and interest on any balance will be determined by the platform.

## What are my investment options?

The underlying assets held within the Onshore Bond will be selected by you and/or your financial adviser, or your investment manager. The assets must be permitted investments and where you are using a platform the assets must be available under your chosen platform. By way of guidance permitted investments include:

- UK Authorised Open-Ended Investment Companies (OEIC) and Unit Trusts.
- Recognised overseas OEICs and Société d'Investissement À Capital Variable (SICAV).

The full list of investments is set out in the *Onshore Bond Terms and conditions*.

If you have elected to manage your Onshore Bond via a platform, the platform must also accept your application to use its services and you will be subject to the platform's own terms and conditions.

## What might I get back?

- The value of your investment is not guaranteed and may fluctuate.
- The amount you get back will depend on:
  - the performance of the assets that make up your Onshore Bond – please note if you invest in overseas investments, the performance may also be affected by currency exchange rate fluctuations;
  - the length of time you invest in your Onshore Bond;
  - how much you have already taken out of it;
  - the product charges;
  - the adviser fees; and
  - the investment platform charges.
- It is possible that you could get back less than you originally invested due to the nature of the underlying investments, which can fall as well as rise in value.
- Your illustration gives an idea of what might happen if the investment you have made achieves the investment growth rates shown throughout the period of your investment. It assumes product charges and adviser fees remain at their current level and any regular withdrawals selected remain unchanged.

## How do I take my money out?

You can take one-off amounts or regular withdrawals to provide you with an 'income'. There is no minimum amount you may withdraw. However, you should consider the potential tax implications (see 'What about tax?'), before you request a withdrawal payment.

Any adviser fee payments from the Onshore Bond will be treated as withdrawals and included in the annual 5% allowance. There may be tax implications, therefore if the total of your withdrawals and any ongoing or ad-hoc adviser fees exceeds 5% per year.

You need to be aware that where you take regular withdrawals the value of your Onshore Bond will be affected, in particular if the amount of withdrawals you take is greater than the growth achieved, the overall value of your Onshore Bond will fall.

Ad-hoc withdrawals are only allowed where your residual policy value is £1,000 or greater.

## What happens on the death of the life assured?

If there is only one life assured, your Onshore Bond will end on the death of that individual. Where multiple lives assured have been selected the death benefit will be payable on the death of either the first life assured or last surviving life assured depending on whether the first or last death basis was selected at outset.

Where a death claim occurs the amount payable will be 100.1% of the value of the units allocated to your Onshore Bond after the deduction of charges, using unit prices applicable on the date following the day of receipt of written notification of the death of the life assured.

## What are the product charges?

We apply a product charge for administering your Onshore Bond.

Our product charges are subject to review, in accordance with the terms and conditions of the Onshore Bond, and may change in the future.

Other charges may apply depending on your investment options, such as your investment manager's fees, financial adviser's fees and, if you elect to manage your Onshore Bond via a platform, your platform will apply its fees.

Full details will be shown in your personalised illustration and as set out in the *Onshore Bond features and charges* document.

## What about tax?

The following information is based on our understanding of tax law and HM Revenue & Customs practice at the date of issue of this document, which are subject to change. The amount of tax you may pay as a result of investing in the Onshore Bond is dependent upon your individual financial circumstances. Your financial adviser can provide further information on the tax treatment of your bond or about placing it in trust.

### Income tax

- When you take money from your bond it is payable free of any personal liability to income tax at basic rate, or capital gains tax.
- If you are a higher or additional rate taxpayer (or become a higher or additional rate taxpayer when you receive money from your Onshore Bond) there may be an income tax charge in the following circumstances:

- if the total of regular withdrawals and any ongoing or ad-hoc adviser fees in any policy year exceed 5% of the amount invested;
  - on encashment of one or any number of the individual policies making up your Onshore Bond; or
  - if the cumulative total of regular withdrawals and partial encashment of some or all of the policies and any ongoing or ad-hoc adviser fees exceeds 100% of the amount invested in those policies.
- Please note the 5% per policy year is cumulative and includes any ongoing or ad-hoc adviser fees. Any unused part can be carried forward for future years (up to a maximum of 20 years from the date the initial investment was made).
  - Your entitlement to personal income tax allowances and certain tax credits may be affected when any of the above circumstances apply, which may result in an increase in the amount of tax you pay.

### Inheritance tax

On the death of the specified life assured the death benefit will form part of your estate for inheritance tax purposes unless your Onshore Bond has been written under a suitable trust arrangement designed to reduce any inheritance tax liability on your estate.

### Other tax

In addition investment income and capital gains derived from the underlying assets may incur tax liabilities. Countrywide Assured pays this tax and you will not be able to reclaim tax we are liable to pay.

## Can I change my mind?

Yes; when you set up your Onshore Bond you have a right to change your mind and cancel your contract within 30 days from receipt of the cancellation notice.

Your Onshore Bond will continue, if we do not receive your cancellation notice within this 30-day period. However, if you decide that you do not want to continue with your Onshore Bond within the 30-day period, we will give you back your money, less any decrease in the value of your investment and any adviser fees that have been paid. Where applicable, you will need to seek re-payment of any adviser fees from your financial adviser. We will provide you with details of where you must send your cancellation notice, if you change your mind.

### **How will I know how my Onshore Bond is performing?**

We will send you a statement each year with a summary of your Onshore Bond holdings. If you have elected to manage your investments via a platform, the platform provider will also be responsible for providing regular reports and valuations in accordance with its terms and conditions.

### **How much will my financial adviser charge for advice?**

You will be responsible for agreeing with your financial adviser exactly how much they will be paid for the advice and services that they provide. Any adviser fees paid following advice to invest in your Onshore Bond must be specifically authorised by you. Only you may authorise any increase to adviser fees and you may also instruct us to cease payments to your financial adviser. Although you may authorise these charges to be deducted and paid from the money you invest, you will remain responsible for payment of the adviser fees. For example, if you cancel your Onshore Bond, you may be liable for any adviser fees still due to be paid to your financial adviser.

Your financial adviser may offer a range of different fee options. For example, your financial adviser may charge a percentage of the amount of new money invested, or of the value of the funds that you have asked them to consider. It is also possible for one-off payments to be made from your Onshore Bond. Alternatively, your financial adviser may agree with you a fixed fee for

the work to be undertaken at the outset, and a different amount for any on-going advice that you may require. We can make adviser fee payments on your behalf for both initial advice costs (initial adviser fees) and ongoing reviews and services (ongoing or ad-hoc adviser fees). Any initial adviser fees will be paid to your financial adviser before the balance of funds is invested in the Onshore Bond.

### **What other external charges may apply?**

Where your Onshore Bond is accessed via an external platform provider and uses that provider's investment services, your financial adviser will be responsible for disclosing and obtaining your acceptance of any charges that may apply.



# Further information

## Policy conditions

- This document gives a summary of the Onshore Bond.
- Full details are shown in the *Onshore Bond Terms and conditions*. If you would like a copy, please contact us.

## Client categorisation

- Countrywide Assured treats all clients as retail clients in line with the regulator's client classification categories. You will therefore benefit from the maximum consumer protection available under the regulator's rules.
- Not all retail clients are eligible complainants under the Financial Ombudsman Service and you should refer to your financial adviser for clarification, where necessary. Please note, a private individual is classified as an eligible complainant.

## Will I be entitled to compensation?

The Financial Services Compensation Scheme (FSCS) covers your investment. In the unlikely event that Countrywide Assured becomes insolvent and is unable to meet its obligations under your Onshore Bond, you should be able to claim under the scheme. You'll be covered for 100% of the value of your investment at the time. Currently, there is no upper limit on the amount that can be claimed under this part of the scheme. More information on the FSCS is available in our factsheet, *FSCS Compensation Limits*.

- If your financial adviser recommended this product, you have a statutory right to compensation from your financial adviser if the Financial Ombudsman Service decides that it wasn't suitable for your needs at the time.
- Your financial adviser should only recommend a product that is suitable for your needs. In order to assess suitability, your financial adviser will need to have a clear understanding of your investment objectives and your attitude to risk.
- Your financial adviser will also require additional information to decide whether this Onshore Bond is an appropriate way for you to invest. If you have any questions about this type of investment or any concerns about the suitability

of this Onshore Bond, please discuss them with your financial adviser, before proceeding. A failure to raise any relevant concerns with your financial adviser at the outset may affect the outcome of any subsequent claim for compensation.

- You may be entitled to compensation at a later date, if it can be demonstrated that your financial adviser's recommendation of the Onshore Bond was unsuitable for your needs. Any complaint about the investment advice which you have received should be made, in the first instance, to the firm which gave the advice. Please note that Countrywide Assured is unable to provide specific advice about the suitability of any of its products for individual customers.

## What happens to my cash?

All monies are initially received by CASFS and will be deposited no later than the next business day after receipt. These monies are treated as client money and will be deposited in Designated Client Money Accounts in CASFS' name. These accounts will be held with Barclays Bank Plc and JP Morgan. No interest will be paid on money held in these accounts. Once your Onshore Bond is established all monies will be paid to your chosen platform or investment manager or custodian, as applicable and will be transferred within three days of receipt by CASFS.

## What happens if a bank holding client money on behalf of CASFS goes into liquidation?

Money held in the CASFS Designated Client Money Accounts are segregated from CASFS' own funds, but will be pooled with money held on behalf of other CASFS clients. This means that your money held by CASFS will be held as part of a common pool of money, so you will not have a claim against a specific sum in a separate account; rather your rights will vest in the client money pool.

In the unlikely event that a default by a bank occurs and a shortfall arises, your claim in relation to money held will be limited to a share of the money held in the designated client money account with the bank.

### **Important warning about cash deposits**

If you invest directly with a regulated deposit taking institution (such as a UK bank) you would normally be eligible to claim (up to the relevant limit) from the Financial Services Compensation Scheme (FSCS). The compensation rules that apply for cash deposits held within an Onshore Bond, however, are significantly different. If you use your Onshore Bond to invest in funds or cash deposits held with a deposit taking institution (such as a UK bank), you may not be able to claim on the FSCS should that institution become insolvent. This means that you may lose all or part of the money held with that bank.

### **Minor non-monetary benefits**

We may give or receive minor non-monetary benefits to/from some of the firms with whom we work with in order to offer you a better service. Such benefits may include information relating to financial instruments or investment services; participation in conferences, seminars and training events; and minor hospitality (such as food and drink during a business meeting, conference, seminar or training event). Any costs we incur in provision of such benefits will not affect the charges you pay for our service. Further information regarding these arrangements is available on request.

### **Law**

The law and courts of England will apply in legal disputes. The English language will be used in all documents and correspondence.

### **How to complain**

We have complaint procedures in place and details of these are available on request. Any complaints should be directed to our registered office by phone, fax, letter or email, as set out under “How to contact us”. If you’re not satisfied with our response, you can complain to:

Financial Ombudsman Service  
Exchange Tower  
London E14 9SR

T 0300 123 9123

E [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint won’t affect your legal rights.

# How to contact us

It's always best if you contact your financial adviser with any queries. However, if you have any questions, at any time, you can phone, email or write to us:

**T** 03330 155 600 (Monday-Friday, 9am-5pm)

**E** [clientservices@countrywide-assured.co.uk](mailto:clientservices@countrywide-assured.co.uk)

## **Office address**

Countrywide Assured  
PO BOX 13493  
Chelmsford, CM99 2GP

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