

## Ring-fencing – what does it mean for me?

Ring-fencing of day-to-day banking services is one of the reforms brought in by the UK government, aiming to strengthen the financial system following the financial crisis that began in 2008. Following the court's approval on 9 March 2018, Barclays has satisfied this requirement by setting up a new ring-fenced bank, Barclays Bank UK PLC, in April 2018, which is separate from Barclays Bank PLC. The two entities operate alongside, but independently from, one another as part of the Barclays Group under the listed entity, Barclays PLC.

Barclays Bank UK PLC and its subsidiaries provide day-to-day products and services to individuals and businesses (with a turnover less than £6.5m) in the UK. Products and services designed for our larger corporate, wholesale and international banking clients will continue to be offered by Barclays Bank PLC and its subsidiaries. To find out more, visit [home.barclays/ring-fencing-explained](https://home.barclays/ring-fencing-explained)

### What does this mean for my Smart Investor account?

From 30 September 2018, Smart Investor will be part of Barclays Investment Solutions Limited (Barclays Investment Solutions), a subsidiary of Barclays Bank UK PLC (our ring-fenced bank). Your account numbers and the day-to-day running of your service will remain the same.

This change means that any uninvested cash within your Smart Investor account will be held by Barclays Investment Solutions as Client Money with a panel of banks and will not earn interest in line with current interest rates. We'll create an Investment Saver for you so you can keep earning interest, you can read more about this overleaf.

### What is Client Money?

Client Money refers to the way in which Barclays Investment Solutions will hold your uninvested cash. As Barclays Investment Solutions is not a bank, it cannot hold uninvested cash as a deposit in the way Barclays Bank PLC does today. Instead, your uninvested cash is held by Barclays Investment Solutions as trustee in pooled accounts across a range of banks in accordance with the FCA's Client Money rules. You can still access your uninvested cash whenever you need to.

Details of these banks will be published online at [smartinvestor.barclays.co.uk](https://smartinvestor.barclays.co.uk) from 30 September 2018.

## How can I keep earning interest on my uninvested cash?

We're creating an Investment Saver deposit facility for you within Barclays Bank PLC, which will work seamlessly alongside your Investment Account. Following the transfer on 30 September 2018 it will be provided by Barclays Bank UK PLC. On or around 8 September 2018, we'll move any cash in your Investment Account to your new Investment Saver meaning you can continue earning interest as you do today.

If you also have an Investment ISA or Barclays SIPP, a deposit facility will not be available for these types of accounts. Any cash in these accounts will be held as Client Money by Barclays Investment Solutions. The change does not impact the tax efficiency of these accounts and AJ Bell will continue to provide the pension for Barclays SIPPs.

	Investment Account	Investment Saver
Cash held as Client Money	✓	✗
Cash held on deposit	✗	✓
Interest paid on cash	✗	✓

You can view our interest rates online at [smartinvestor.barclays.co.uk/invest/accounts/investment-account/interest-rates.html](https://smartinvestor.barclays.co.uk/invest/accounts/investment-account/interest-rates.html)

## Are my cash and investment services still protected?

Eligible claimants are protected by the Financial Services Compensation Scheme (FSCS) up to the limits shown below should Barclays Investments Solutions (in relation to investment services) fail, and for any cash which may be protected if Barclays Bank UK PLC or one of the selected banks fail.

	Barclays Bank UK PLC (cash)	Barclays Investments Solutions Limited (investment services + cash)	UK authorised bank selected by Barclays Investments Solutions (cash)
Account	Investment Saver	Investment Account	Investment Account
Level of protection	£85,000 (per depositor, per bank)	£50,000 (per investor)	£85,000* (per depositor, per bank)

\*If you already hold £85,000 with one of the UK banks used, any additional balances placed with that bank by Barclays Investment Solutions as trustee of your Client Money will not be protected by the FSCS if that bank fails. Where the bank is authorised in a country outside the UK, the basis and level of protection available to you may differ.

## How will cash move into my Investment Saver from my Investment Account?

We'll make a one-off transfer of any uninvested cash in your Investment Account to your Investment Saver on or around 8 September 2018. If there is any committed cash for pending orders or uncollected fees, we'll leave this in your Investment Account to cover these committed payments.

After this one-off transfer, you can move money from your Investment Account to your Investment Saver when it suits you online, or over the phone, as often as you like.

If you need cash to make an investment or pay a fee from your Investment Account, we'll automatically move it from your Investment Saver for you, if available.

### **Can my cash be transferred from my Investment Account to my Investment Saver automatically after the one-off transfer?**

Yes, if you give your permission, this will allow us to transfer any uninvested cash in your Investment Account to your Investment Saver on your behalf each day so it can earn interest when it's not invested.

### **How do I give my permission?**

When you log in to your account online you'll start to see a 'pop up' message asking for your permission for this automatic daily cash transfer. We've also included a form which you can complete and return to us in the pre-paid envelope provided.

If you provide your consent, we'll begin the daily transfer of uninvested cash once your Investment Saver is created. If we receive your permission after your Investment Saver is created, we'll aim to begin the daily transfer within three days.

You can change your preference any time in the future. The easiest way to do this is online in your 'Investment settings' after your Investment Saver has been created.

### **I have a joint account; how do we give permission?**

You should give your permission in the same way but only one account holder needs to do this. We'll accept the last instruction received before we open your Investment Saver. If the other party also has an individual account, they can give permission separately for that account.

If you have more than one Investment Account, an Investment Saver will be opened to sit alongside each Investment Account you hold.

### **Can I pay cash into my Investment Saver from another account?**

You can pay cash directly into your Investment Saver from your Investment Account or your Barclays nominated bank account. You won't be able to set up a Direct Debit or make a debit card payment directly to your Investment Saver.

### **Can I move my cash back to my Investment Account from my Investment Saver?**

If you need cash to make an investment or pay a fee from your Investment Account, we'll automatically move it from your Investment Saver for you, if available. You can also move cash between your Investment Account and Investment Saver whenever you like.

### **Where will my sales and dividend income go?**

Any proceeds from sales will be paid in to your Investment Account. If your income preference is set to pay to your Investment Account, this will continue but it's not possible to have income paid directly to your Investment Saver. However, if you give your permission to the automatic cash transfer, we can transfer any proceeds in your Investment Account to your Investment Saver on your behalf.

## How will my Investment Saver look online?

The screenshot displays the Barclays Smart Investor website. At the top, there's a navigation bar with 'My Hub', 'Personal', 'Investments', and a user profile for 'Andrew P. Winston'. The main header features the Barclays logo and the 'Smart Investor' title, with sub-navigation for 'My hub', 'Learn', 'Plan', and 'Invest'.

A central message box states: "You'll now see a new Investment Saver that sits alongside your Investment Account. This gives you the opportunity to earn interest on your uninvested cash. You can easily move money between the two and when making investments we'll do this for you. [Find out more](#)".

The 'Portfolio' section shows a total value of £71,000.00 with a +2.41% change. Below this, two account sections are visible:

- Investment Account + Saver** (Total: £60,000.00)
  - Investment Account** (Balance: £30,000.00)
  - Investment Saver** (Balance: £30,000.00)
- Joint Investment Account + Saver** (Total: £11,000.00)
  - Joint Investment Account** (Balance: £10,000.00)
  - Joint Investment Saver** (Balance: £1,000.00)

On the right, 'Helpful articles' include: "Have you confirmed your rationality? Find out more about MFI's", "Explore our Research Centre for stock alerts and live prices", "Your feedback counts. Let us know what changes you'd like to see in Smart Investor", and "Explore Initial Public Offerings and new issue opportunities".

Visit [smartinvestor.barclays.co.uk/support-info](https://smartinvestor.barclays.co.uk/support-info) for helpful FAQs and further content on the Investment Saver

This item can be provided in Braille, large print or audio by calling your usual contact.

Barclays Investment Solutions Limited provides wealth and investment products and services (including the Smart Investor investment services) and is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange and NEX. Registered in England. Registered No. 2752982.  
Registered Office: 1 Churchill Place, London E14 5HP.

Barclays Bank UK PLC provides banking services to its customers and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 759676). Registered in England. Registered No. 9740322. Registered Office: 1 Churchill Place, London E14 5HP.