

Newcastle Cash Lifetime ISA (Issue 3)



Please note, the rates on the following account will be reduced from 21 January 2026. Please see 'What is the interest rate?' below for further details.

Lifetime ISA's (LISAs) are designed to reward people who are saving for their first home and those who are saving towards retirement. The Newcastle Cash Lifetime ISA offers a competitive interest rate; plus a 25% government bonus.



Opening a LISA might be right for you, if:

- You have never owned a home and want to save to buy a house in the UK worth up to £450,000
- You are aged 18-39 (to open the LISA)
- You want to save towards your retirement and won't need access to your savings until you reach the age of 60.

This account might not be right for you if:

- You want to save for a house and buy within the next 12 months
- You're 40 or over
- You don't have savings set aside for unexpected bills (for example, an emergency fund).

The Financial Conduct Authority is the independent financial services regulator. It requires us, Newcastle Building Society, to give you this important information to help you to decide whether our LISA is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference. These Product Special Conditions and the Savings General Terms & Conditions highlight the information which you should consider when applying for this LISA. The Newcastle Building Society subscribes to HM Revenue and Customs 'Not in Writing' scheme. As part of the scheme we are required to confirm your LISA declaration.

| Summary Box | | |
|---|---|---|
| Account Name | Newcastle Cash Lifetime ISA (Issue 3) | |
| What is the interest rate? | Interest rate | Annually 2.20% Tax-free pa*/AER** (Variable) Rate until 20 January 2026 Annually 1.95% Tax-free pa*/AER** (Variable) Rate effective from 21 January 2026 |
| Interest is paid on: The interest is calculated daily and will be credited to the account annually on the account opening anniversary. | | |
| Can Newcastle Building Society change the interest rate? | Please refer to the 'Interest, Charges and changes' section on pages 17-18 of the Savings General Terms & Conditions, which sets out the reasons for which Newcastle Building Society may change the interest and the procedure for doing so. | |
| What would the estimated balance be after the first 12 months of account opening based on a £1,000 deposit? | <p>The estimated balance after 12 months would be £1,019 assuming that:</p> <ul style="list-style-type: none">• The account is opened with £1,000 and interest starts being earned straight away• No further deposits or any withdrawals are made• The interest rate stays the same for the full 12 months <p>The government will also pay a 25% bonus on your contributions each month which isn't included in this estimation.</p> <p>Please note: <i>This projection is provided for illustrative purposes only and does not take into account the customer's individual circumstances. This projection is based on an initial £1,000 Deposit and no further Deposits or withdrawals are made. Projections are also based on the interest rates paid from the 21 January 2026.</i></p> | |
| How do I open and manage my account? | Opening your account: Online only | |
| | Giving us instructions for your account: Online, by telephone or by post | Minimum Opening Deposit: £1 (this is also the minimum balance eligible for the 25% government bonus) Maximum Opening Deposit: £4,000 (this is the maximum LISA subscription per tax year). To open a LISA, you must be aged 18 or over but under 40. We need to receive your initial investment within 30 days of account opening and prior to your 40 th birthday (unless you are transferring an existing LISA from another provider). See section N for additional details. |
| Can I withdraw money? | <p>You must also be either:</p> <ul style="list-style-type: none">• resident in the UK• a Crown Servant (for example a diplomat or civil servant)• the spouse or civil partner of a Crown Servant <p>The account can only be opened online. The account can be managed online, by telephone or by post. Payments into the account can be made by cheque or directly from another UK bank or building society. After your initial payment, you can also make investments by standing order. You can deposit from £1 up to £4,000 each tax year before your 50th birthday. Any deposits made which result in a breach of this subscription limit, will be returned back to source in full.</p> | |
| | Withdrawals or account closures before the age of 60 will incur a penalty of 25% on the total funds – recovering the Government bonus; you will also lose some of your own savings and will receive back less than you invested, unless it's to buy your first home, you're diagnosed with a terminal illness or in the event of your death. Section A explains why you will receive less than you paid in and exceptions to the withdrawal charge. | |
| Additional Information | <p>Tax Status: Interest will be paid tax-free*.</p> <ul style="list-style-type: none">• You will need to make your initial LISA deposit before your 40th birthday. (This does not apply to cash LISA transfers). If you make your initial investment following your 40th birthday, your investment will be returned to you and your LISA will be closed.• You cannot open a new LISA once you turn 40 years old.• Following your initial investment, if you make a withdrawal, your LISA may still remain open with a zero balance.• The LISA is a government savings scheme and may change in the future.• You are only permitted to open and fund one LISA per tax year. | |

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- All ISA interest is paid tax-free, which means it's exempt from income tax. Tax rules may change in future.
- This product may be withdrawn at any time and without notice.
- If you move abroad you should advise us and cannot make additional subscriptions whilst living outside the UK. Your LISA limit forms part of your overall ISA limit.

**"Tax-free" refers to the contractual rate of interest payable, where interest is exempt from income tax. The tax information provided is based on the current law and HM Revenue & Customs practice, both of which may change.

***"AER" stands for Annual Equivalent Rate and shows what the interest rate would be if interest was paid and added to your account each year.

Product Special Conditions

These Product Special Conditions and the Newcastle Building Society's Savings General Terms and Conditions will apply, effective from the date of account opening. In the event of a conflict, these Product Special Conditions will prevail.

LISA government bonus information:

HMRC will calculate and pay bonus payments for your LISA on a month-by-month basis. Your bonus is calculated on any payments you make into your account from the 6th of the month to the 5th of the following month. Your bonus will be paid into your account within 14 days of the 20th of the following month. When we receive payment from HMRC, we pay it directly into your account.

You can pay up to £4,000 per tax year (April 6th - April 5th) into a LISA and the government will pay a 25% bonus. When you turn 50 you can no longer pay into the account and the government bonus will stop, however, you will still receive interest on the balance.

A - How does the withdrawal charge affect my savings?

It's important you only save money you don't need access to in order to avoid being charged for withdrawals. Where the withdrawal charge applies, as well as recovering the 25% government bonus, you'll also lose some of your own savings and will receive less than you invested. This is demonstrated in the example below:

| Your actions | Money in | Money out |
|---|----------|-----------|
| You open the account with | £4,000 | |
| The government bonus is added | £1,000 | |
| Total | £5,000 | |
| You withdraw early | | £5,000 |
| The government charge is 25% | | -£1,250 |
| You receive | £3,750 | |
| You lose this much money from your investment | | -£250 |

Please note the 25% penalty charge will be taken from the amount you withdraw, take this into account when you are deciding on the amount you are withdrawing. This is demonstrated in the example below

| Your actions | Amount |
|------------------------------|--------|
| You withdraw | £1,500 |
| The government charge is 25% | £375 |
| You receive | £1,125 |

The example below demonstrates how much you would need to withdraw in order to receive £1500, it does not include any interest earned.

| Your actions | Amount |
|------------------------------|--------|
| You require | £1,500 |
| You request | £2,000 |
| The government charge is 25% | £500 |
| You receive | £1,500 |

B - When doesn't the withdrawal charge apply?

A penalty charge would apply to all withdrawals unless:

- You use your LISA to buy your first home. Please see the qualifying criteria in section C.
- You have used your LISA to save for retirement and you've reached the age of 60.
- You are diagnosed with a terminal illness and have less than 12 months to live.
- In the event of your death.

C - Qualifying criteria for house purchase

You can use your LISA to help buy your first home as long as the following criteria are met:

- You made your first payment into your LISA at least 12 months before instructing your conveyancer.
- The property value must not exceed £450,000.
- The property must be purchased in the UK with a mortgage, but not a Buy to Let mortgage unless you, or your partner, are a UK Crown employee serving overseas and intend to use the property as your main residence in future.
- You must occupy the property as your main residence immediately on completion, or if you or your spouse/civil partner are a UK Crown employee serving overseas, you must intend to in the future.
- You cannot act as the conveyancer for your own property purchase.

D - Can I make more than one withdrawal when I come to buy my first home?

You can make more than one charge-free withdrawal before completion and there's no minimum withdrawal amount, provided that all withdrawals are in connection with the purchase of the property.

E - How do I make a withdrawal to buy a house?

When you come to buy, you'll need to tell your conveyancer you want to use part or all of your LISA towards the purchase and provide them with a declaration. Your conveyancer also has to provide us with a declaration. It's your responsibility to ensure this is provided, but your conveyancer should do this as part of the buying process.

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Once we receive the appropriate paperwork from your conveyancer we'll confirm we've received the request and then pay the amount requested to the conveyancer within 30 days without applying the government withdrawal charge.

Your conveyancer must advise us that your purchase has completed within 10 days of completion.

F - What happens if my purchase is delayed or falls through?

If the purchase doesn't complete within 90 days of the withdrawal, your conveyancer must notify us and return the amount withdrawn within 10 days. Alternatively, if the purchase doesn't complete within 90 days of the withdrawal and an extension is required, your conveyancer should contact us to request one.

If your purchase doesn't complete and funds are not returned a withdrawal charge will apply. When funds withdrawn charge-free for a first time residential purchase are not returned to the LISA after the failure of that purchase, the withdrawal charge will be deducted from any funds remaining in the account.

The withdrawal charge in such cases is 33% of the amount withdrawn. For example, the net amount withdrawn but not returned to the LISA was £4,000, the withdrawal charge due is £1,333.33 (33% of £4,000).

G - When is the 25% bonus paid into my account?

We will claim the 25% bonus from HMRC on your behalf. HMRC will calculate the bonus based on the contributions you have made each month and pay each month's bonus within 14 days of the 20th day of the following month. The bonus is paid on all contributions you make before you reach the age of 50.

H - What happens if my circumstances change and I don't need my LISA to buy a home?

If you no longer require the funds to purchase your first home you can continue to use your LISA towards retirement planning. If you withdraw the funds for another reason then a 25% penalty would apply, see section A.

I - What are the risks of using a Cash LISA for retirement savings?

You should consider if saving in a cash LISA is the right option for saving towards your retirement. If you are employed, you should consider the potential availability of a workplace pension scheme through an employer which provides employer matched contributions, and your tax position. If you save in a LISA instead of enrolling in, or contributing to, a pension scheme from your employer or personal pension scheme:

- You may lose the benefit of contributions by an employer (if any) to that scheme; and
- Your current or future entitlement to means tested benefits may be affected (these depend on the amount of income and capital you have, which includes savings).

If you decide to use your cash LISA to save towards retirement, you should consider:

- When you intend to retire
- What other provision for retirement you are making (for example contributions to a pension)
- Whether a LISA will provide you with sufficient income in retirement.

LISAs are available as a cash or a stocks and shares option. However, Newcastle Building Society offers a Cash LISA only. As your circumstances can change over time you should regularly review whether this type of LISA is still right for you.

Please be aware that the information we have provided is not advice. If you're considering varying your existing pension arrangements as part of a decision to invest in a LISA, you should seek independent financial advice before making any changes.

J - Can I cancel my account?

You have 30 days from the initial account funding date to change your mind. You can cancel your account by letting us know either by calling us on 0345 734 4345 (lines open 8am – 6pm, Monday to Friday), by sending us a secure message or in writing. If you do cancel your account, your cancelled LISA won't count as a LISA subscription and you will be able to open another LISA in that tax year if you're still eligible. If you choose to cancel you will get back the full amount you have paid in. You will not be entitled to the government bonus or interest within the right to cancel period. It is the customer's responsibility to ensure the request to cancel is received by the Newcastle Building Society within the 30 day period. Any withdrawal after this 30 day period will incur the 25% penalty.

If you have transferred your cash LISA to Newcastle Building Society, you still have the right to cancel. In this instance, your funds would be returned to your original provider, however they may reject your funds. If this is the case, you have the option to leave your cash LISA with Newcastle Building Society or transfer to another provider.

K - Can I transfer my savings to another LISA provider?

If you wish, you can transfer your savings to another LISA provider. This will not affect your government bonus payment. If you complete the transfer before your original LISA provider has received your monthly bonus payment from HMRC, your original LISA provider will be responsible for sending the bonus payment onto Newcastle Building Society.

L - Can I transfer my existing LISA to a Newcastle Cash Lifetime ISA?

Yes. You can transfer your LISA into another LISA without incurring the government withdrawal charge. This will not affect your government bonus payment. If you complete the transfer before your LISA provider has received your monthly bonus payment from HMRC, your original LISA provider will be responsible for sending the bonus payment onto Newcastle Building Society.

If you wish to transfer a Stocks and Shares LISA, the transfer will result in all investments held being sold. The sale proceeds, together with any un-invested cash currently held in the LISA will be transferred to Newcastle Building Society in its entirety.

You can transfer your existing LISA to Newcastle Building Society via our website www.newcastle.co.uk and select 'Lifetime ISA' from the Savings tab and select 'Transfer my existing Lifetime ISA' option. You will be provided with a transfer form for you to complete and return to us. Please note, the whole balance in your existing LISA must be transferred to Newcastle Building Society and the transfer proceeds are made up of cash only.

The transfer will commence once Newcastle Building Society has received the transfer instruction and any documentation required to support your application. A transfer request should be completed within 15 business days from when the transfer request is received and 30 business days for a Stocks and Shares transfer. If you do send funds in to us before the LISA transfer is complete, they will be retained by us and we will only credit these to your LISA once the LISA transfer has completed. You will not receive any interest on these funds until they have been applied to your LISA.

If you've transferred your LISA to ourselves, the 12 month period before you can make a charge free withdrawal for your first house purchase starts from the date you first paid into your LISA with your original provider.

We reserve the right to withdraw the facility to transfer existing LISAs to Newcastle Building Society at any time.

You must not fund your LISA until we have advised you that the transfer is complete. If you do send funds in to us before the LISA transfer is complete, we will keep these funds and apply these to your LISA once the transfer has completed. You will not receive any interest on these funds until they have been applied to your LISA.

M - If you're not happy with our service

If you are not happy with our services we have an internal complaints procedure. For more information please call us on 0345 734 4345 or visit <https://www.newcastle.co.uk/complaints/>. The Financial Ombudsman Service provides a free and independent service for consumers, and can be contacted at The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone: 0800 023 4567 or visit www.financialombudsman.org.uk.

N - Funding timeframes

You will need to fund your LISA before you turn 40 years old. If you make your initial investment following your 40th birthday, your investment will be returned to you and your LISA will be closed.

If you are sending your initial funding electronically to us, we recommend you send your payment to us at least one business day prior to your 40th birthday to ensure your funds are applied in time. Please refer to section 2 of our Savings General Terms & Conditions for information of payment cut off times.

Details are correct as at 5 January 2026.

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