

16 August 2018

HSBC ANNOUNCES CHANGES TO SAVINGS INTEREST RATES AND SVR

Following a review, HSBC UK is increasing the interest rate on savings accounts, the bank announced today.

In order to encourage a savings habit for children and by children, and help younger customers gain important financial experience, HSBC UK is increasing the interest rate on all of its children's savings accounts by 0.25%.

HSBC UK's MySavings Children's accounts for 7 to 17 year olds, will increase by 0.25% to 3.00% up to £3,000. In addition, HSBC's Future Saver for Children account, which is a savings account held by adults on behalf of children, will also increase by 0.25% and will now provide an interest rate of 0.75%.

Tracie Pearce, HSBC UK's Head of Retail, said: "Giving children financial experience is extremely important for their development, showing them the value of money and helping them get an understanding of budgeting. Getting children to save regularly should get them into a positive savings habit and set them up with a great saving mindset for later life. Whether it is money children have received for a birthday or Christmas, through hard work of a paper round or by showing entrepreneurship, the increase in the interest rates on all children's accounts should make a saving mindset a little more attractive."

In addition to increasing the interest rate on all children's accounts, HSBC UK is also helping aspirational first time buyers by increasing the interest rate on HSBC's Help To Buy ISA by 0.25% to 2.25%. Combined with the HSBC Regular Saver at 5% for eligible customers, this increase in rate will give those looking to get on the housing ladder an extra boost in their saving power.

Interest rates on a number of other accounts are increasing – Premier Savings, Flexible Saver (preferential rate) will move from 0.10% to 0.20%, while the Flexible Saver (standard rate) will rise from 0.05% to 0.15%.

HSBC UK's range of Loyalty ISAs will increase by 0.10%, with the Premier Loyalty Cash ISA offering 0.85% and the Advance Loyalty Cash ISA offering 0.75%. The current account Loyalty Cash ISA also increases to 0.65% tax-free.

Tracie Pearce added: "Those looking to get onto the housing ladder will probably already have an established saving mindset. While we have recently introduced a 95% LTV mortgage, making a first property more accessible through HSBC UK, having a good savings vehicle is equally important, more so now than ever before with property prices continuing to increase. The increase on our Help to Buy ISA might give savers the extra spending power to make their new home really special when they move in."

We will be writing to our customers, making them aware that these interest rates come into effect from the 3rd September.

Following the Monetary Policy Committee's decision to increase the Base Rate by 0.25 per cent to 0.75 per cent HSBC will be increasing the following Standard Variable Rate mortgage rates by 0.25 per cent:

- HSBC residential Standard Variable Rate from 3.94% to 4.19%
- HSBC Buy to Let Standard Variable Rate from 5.00% to 5.25%

These changes, for new and existing borrowers, will come into effect from 1st September 2018.

We will write those customers impacted, with notice given in line with their mortgage terms and conditions.

Tracie Pearce continued: "HSBC's mortgage rates remain some of the lowest on the market, including our Standard Variable Rate, maintaining our commitment to offer great value for all new and existing customers."

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Notes to editors:

HSBC UK

HSBC UK serves around 14.5 million customers in the UK and employs approximately 32,000 people. HSBC UK offers a complete range of personal, premier and private banking services including bank accounts and mortgages. It also provides commercial banking for small to medium businesses and large corporates. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,522bn at 31 December 2017, HSBC is one of the world's largest banking and financial services organisations.

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