

# Risk Summary Disclaimer.

## Non readily realisable securities which are debentures.

Estimated reading time: 2 mins

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

### What are the key risks?

#### 1. You could lose all the money you invest

- If the business you are investing in fails, there is a high risk that you will lose your money. Most start-up and early-stage businesses fail.
- Advertised rates of return aren't guaranteed. This is not a savings account. If the borrower doesn't pay you back as agreed, you could earn less money than expected. A higher advertised rate of return means a higher risk of losing your money. If it looks too good to be true, it probably is.
- These investments are sometimes held in an Innovative Finance ISA (IFISA). An IFISA does not reduce the risk of the investment or protect you from losses, so you can still lose all your money. It only means that any potential gains from your investment will be tax free.

#### 2. You are unlikely to be protected if something goes wrong

#### If promotion has been received through your Relationship Manager in UK:

- Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance. Try the FSCS investment protection checker: [www.fscs.org.uk/check/investment-protection-checker/](http://www.fscs.org.uk/check/investment-protection-checker/)
- Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA regulated firm, FOS may be able to consider it. Learn more about FOS protection here: [www.financial-ombudsman.org.uk/consumers](http://www.financial-ombudsman.org.uk/consumers)

#### If promotion has been received through your Relationship Manager in Switzerland:

- The business offering this investment **is not regulated by the FCA**. Protection from the Financial Services Compensation Scheme (FSCS) only considers claims against failed regulated firms. Learn more about FSCS protection here: [www.fscs.org.uk/what-we-cover/](http://www.fscs.org.uk/what-we-cover/)
  - The Financial Ombudsman Service (FOS) will not be able to consider complaints related to this firm. Learn more about FOS protection here: [www.financial-ombudsman.org.uk/consumers](http://www.financial-ombudsman.org.uk/consumers)
- #### 3. You are unlikely to get your money back quickly
- Many bonds last for several years, so you should be prepared to wait for your money to be returned even if the business you're investing in repays on time.
  - You are unlikely to be able to cash in your investment early by selling your bond. You are usually locked in until the business has paid you back over the period agreed.
- #### 4. Don't put all your eggs in one basket
- Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.
  - A good rule of thumb is not to invest more than 10% of your money in high-risk investments: [www.fca.org.uk/investsmart/5-questions-ask-you-invest](http://www.fca.org.uk/investsmart/5-questions-ask-you-invest)

If you are interested in learning more about how to protect yourself, visit the FCA's website here: [www.fca.org.uk/investsmart](http://www.fca.org.uk/investsmart).