



Innovative Finance ISA

Innovative Finance ISA Key Features

The main features, eligibility rules and risks of the Mustard property-backed Innovative Finance ISA (IFISA).

Don't invest unless you're prepared to lose money. This is a high-risk investment. You may not be able to access your money easily and are unlikely to be protected if something goes wrong. Take 2 mins to learn more.

The value of tax benefits will depend on your individual circumstances, and tax rules may change in the future. Tax-free means free from personal liability to any UK Income Tax and Capital Gains Tax.

About this document

This document explains how our IFISA works and the risks of investing in it. Please read it together with our [IFISA Terms and Conditions](#) and our [Key Risks summary](#) before you invest. If you're unsure whether an IFISA is right for you, you should seek independent financial advice.

What is an ISA?

An Individual Savings Account (ISA) is a tax wrapper. Interest and gains on investments held in an ISA are free from UK Income Tax and Capital Gains Tax, and you don't need to declare them on your tax return.

There are four types of adult ISA:

- cash ISAs
- stocks and shares ISAs
- Lifetime ISAs
- Innovative Finance ISAs (IFISAs)

Junior ISAs are also available for children under 18.

A payment you make into an ISA is called a subscription. A tax year runs from 6 April to 5 April the following year.

What is an IFISA?

The Innovative Finance ISA was introduced on 6 April 2016. It allows you to hold peer-to-peer (P2P) loans inside an ISA, so the interest you earn is tax-free.

Through our IFISA you lend money to borrowers, and each loan is secured on property. You choose which loans to invest in, and your interest and capital repayments are paid back into your IFISA.

Who can open an IFISA?

To open an IFISA with us, you must:

- be aged 18 or over
- be resident in the UK for tax purposes, or be a Crown employee serving overseas (or their spouse or civil partner)
- have a Mustard investor account, which is free to open at <https://invest.getmustard.co.uk/register>
- complete our investor categorisation and appropriateness assessment

An IFISA must be held in your sole name. It can't be held jointly or on behalf of someone else.

How much can I invest?

Tax year 2026/27 (to 5 April 2027)

You can subscribe up to £20,000 in total across all your ISAs. Up to £4,000 of this can go into a Lifetime ISA.

From 6 April 2027

The overall limit stays at £20,000. If you are under 65, no more than £12,000 of that can go into cash ISAs, and you won't be able to transfer money from an IFISA or a stocks and shares ISA into a cash ISA. These restrictions lift from the start of the tax year in which you turn 65.

Limits on P2P investment

If you are categorised as a restricted investor, you must not invest more than 10% of your net investable assets in P2P agreements and non-readily realisable securities.

Can I have more than one ISA?

Yes. Since 6 April 2024 you can pay into more than one ISA of the same type in a tax year, as long as your total subscriptions stay within the annual limit. The exception is the Lifetime ISA: you can only pay into one Lifetime ISA each tax year.

Transferring an existing ISA to us

You can transfer cash ISAs, stocks and shares ISAs and IFISAs from other providers into our IFISA.

- **Money from previous tax years:** you can transfer all or part of it. It doesn't use any of your current allowance.
- **Money subscribed this tax year:** you can also transfer all or part of it. It counts as the subscription you already made and doesn't use any further allowance.
- **Stocks and shares ISAs:** your current provider will sell your investments and transfer the proceeds to us as cash.
- **Lifetime ISAs:** talk to your provider before transferring. Moving money from a Lifetime ISA into another type of ISA is treated as a withdrawal, and a government withdrawal charge may apply.

To transfer, fill in our ISA Transfer Authority form, which you can find [here](#), and return it to us. We will then arrange the transfer with your current provider.

Don't withdraw the money from your old ISA yourself. If you do, it will lose its tax-free status and will count as a new subscription when you pay it in.

Under HMRC rules, transfers of cash ISAs should complete within 15 business days, and transfers of other ISA types within 30 calendar days.

Transferring out of our IFISA

You can ask us to transfer all or part of your IFISA to another ISA manager at any time, subject to our IFISA Terms and Conditions and HMRC's ISA rules.

Only cash can be transferred. Money that is lent out must first be repaid by the borrower or sold on our secondary market, so the time a transfer takes depends on how quickly that happens. Once the cash is available, we will complete the transfer within 30 calendar days and let you know if it will take longer.

From 6 April 2027, if you are under 65 you won't be able to transfer from your IFISA into a cash ISA.

Is the IFISA flexible?

Yes. Our IFISA is a flexible ISA. You can withdraw cash and pay it back in during the same tax year without the replacement counting towards your annual allowance. Two conditions apply:

- The money must be paid back into your IFISA with us. Money paid into a different ISA counts as a new subscription.
- The money must be paid back before the end of the tax year (5 April) in which you withdrew it. After that, paying it back in uses your allowance.

Flexibility applies to cash only. You can't withdraw loan parts and put them back.

Under the ISA regulations, withdrawals are treated as coming first from subscriptions made in the current tax year and then from subscriptions made in earlier years. Replacements are treated as replacing earlier years' subscriptions first and then current-year subscriptions.

These rules are complex. If you're unsure how they apply to you, take independent advice or see HMRC's guidance on [flexible ISAs](#).

Your cash and your returns

Cash in your IFISA that isn't lent out is held in a segregated client money account, separate from our own money, in line with the FCA's client money rules.

Interest and capital repayments from your loans are paid into your IFISA cash balance and stay tax-free for as long as they remain in the IFISA.

We don't pay interest on cash in your IFISA that isn't lent out.

Charges

The Mustard IFISA has no fees. It is free to open, use, invest through, and transfer in or out of. Other ISA providers may charge you to transfer in or out.

Cancelling your IFISA

You have the right to cancel your IFISA within 14 days of the day we confirm it is open. If you transfer an existing ISA to us, you also have 14 days from the day we accept the transfer to cancel it.

If you cancel, a subscription you made won't count towards your annual ISA allowance, and we will return the cash in your IFISA to you. If you cancel a transfer, we will return the money to your

previous ISA manager if they agree to accept it; if they don't, it will be paid to you and will lose its tax-free status.

Cancelling doesn't undo loans you have already invested in. That money is returned as each loan is repaid, or you can sell your loan parts on our secondary market, which may mean getting back less than you invested.

To cancel, contact us at ifisa@getmustard.co.uk. If you don't cancel within 14 days, your IFISA continues under our IFISA Terms and Conditions, and you can still close it or transfer it out at any time.

If you die

When an IFISA holder dies, the IFISA becomes a continuing account of a deceased investor. Returns stay tax-free until the administration of the estate is completed, the account is closed, or the third anniversary of death, whichever comes first.

A surviving spouse or civil partner may be able to make an additional permitted subscription, on top of their own annual allowance, up to the value of the IFISA.

Innovative Finance ISA specific risks

Your capital is at risk. P2P lending is not covered by the Financial Services Compensation Scheme (FSCS), and returns are not guaranteed. Tax treatment depends on your individual circumstances and may change in the future.

A borrower doesn't repay their loan

If a borrower defaults and the property securing the loan can't be sold for enough to cover costs, interest owed to investors and the full amount lent, you could lose some or all of the money you invested. This won't affect your IFISA allowance, but losses inside an ISA can't be set against income or gains elsewhere for tax purposes.

The platform fails

If we stop trading, whether voluntarily or not, our wind-down arrangements mean your loans will continue to be managed and repayments collected on your behalf. Client money is held separately from our own money.

We will tell you about your right to transfer your IFISA to another ISA manager. Money in your IFISA stays tax-free until it is withdrawn or transferred out. If it is withdrawn to a bank account, it loses its tax-free status.

Withdrawing money from your IFISA

P2P agreements can't be withdrawn from the IFISA. To get money out, you need to wait for the loan to be repaid or sell your loan parts on our secondary market, and then withdraw the cash. Cash withdrawn loses its tax-free status unless you pay it back into your IFISA in the same tax year.

Transferring your IFISA

Only cash can be transferred to another ISA manager, so a transfer can only be completed once your loan parts have been repaid or sold. This may take longer than the HMRC timescales. Cash withdrawn to a bank account rather than transferred loses its tax-free status.

Selling your loan parts

You may not be able to sell your loan parts, or you may only be able to sell them for less than face value. You can list loan parts on our secondary market if you want to exit before the loan's maturity date, as long as the loan is eligible for the secondary market and there is a buyer. Because investors can list loan parts at a discount, you may get back less than you invested.

Changes to tax rules

ISA rules can change. Changes already confirmed from 6 April 2027 include the cash ISA limit for under-65s and the restriction on transfers into cash ISAs. Further changes could affect the value of the tax benefits of your IFISA.

About us

LandlordInvest Limited, trading as Mustard, is authorised and regulated by the Financial Conduct Authority (firm reference number 660926) and is an HMRC-approved ISA manager. Registered office: 3rd Floor, Great Titchfield House, 14-18 Great Titchfield Street, London, United Kingdom, W1W 8BD. Registered in England and Wales, company number 09245725.

Complaints

If you're unhappy with our service, contact us at complaints@getmustard.co.uk. If we can't resolve your complaint, you may be able to refer it to the Financial Ombudsman Service at financial-ombudsman.org.uk.

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