1. Investor self-transfers to second ISA

Mrs Cooper subscribes £5,000 to a cash ISA with manager A on 20 April 2019. She closes it on 30 November 2019, then subscribes to a second cash ISA with manager B on 3 December 2019. The subscriptions to the second cash ISA are valid.

2. Investor self-transfers to third ISA

On the same day Mrs Jones subscribes £3,000 to a cash ISA with manager A. She withdraws the £3,000 on 30 September 2019, then subscribes to a second cash ISA with manager B on 3 November 2019. She closes the ISA with manager B on 15 February 2020, then subscribes to a third cash ISA with manager C on 23 February 2020. The subscriptions to the cash ISA with manager B were valid, but the subscriptions to the cash ISA with manager C are not valid and are not eligible for repair.

3. Investor over subscribes to cash ISAs

In 2019-2020 Mr Johnson subscribes £5,500 to a cash ISA with manager A in August 2019. In March 2020 he subscribes £15,500 to a cash ISA with manager B. None of the subscriptions are used to purchase insurance products. The subscriptions to the ISA with manager B invalid, but repairable. The total subscriptions are £21,000, which exceeds the cash ISA subscription limit by £1,000. The excess subscriptions of £1,000 (£21,000 - £20,000) must be removed from the ISA with manager B, but the other £14,500 subscriptions are valid.

4. Investor over subscribes to cash ISA and stocks and shares ISA

In 2019-2020 Mr James subscribes £8,200 to a cash ISA with manager A in September 2019. The following month he subscribes £15,200 to a stocks and shares ISA with manager B. None of the subscriptions are used to purchase insurance products. The subscriptions to the ISA with manager B are invalid but repairable. The total subscriptions are £23,400, which exceeds the overall ISA subscription limit. The excess subscriptions of £3,400 (£23,400 - £20,000) must be removed from the ISA with manager B, but the other £11,800 subscriptions are valid.

5. Investor subscribes to cash ISA and stocks and shares ISA, then breaches limit with subscription to Lifetime ISA

Mr James has a cash ISA with manager A and subscribes £8,200 to it. The following month he subscribes to a stocks and shares ISA with manager B to which he subscribes £15,200. He then also subscribes £2,000 to a Lifetime ISA with manager A. Under normal ISA voiding rules, the Lifetime ISA would need to be voided. However, in order that Mr James can keep his Lifetime ISA and avoid paying the Lifetime ISA withdrawal charge the invalid subscriptions must be removed from his Stocks and Shares ISA with manager B. This means that the excess subscription of £5,400 is removed from the Stocks and Shares ISA with manager B leaving subscriptions of £9,800 in his ISA.

6. Investor subscribes to valid combination of ISAs but exceeds the subscription limit

Mrs Gray decides to open two ISAs in April 2019.

- On 12 April she invests £4,000 in a cash ISA with manager A
- On 15 April she invests £6,000 in a stocks and shares ISA with manager B

Both ISAs are valid, and the overall subscription limit has not been exceeded.

However, Mrs Gray subscribes a further £12,000 to the cash ISA with Manager A in October 2019 and a further £6,000 to the stocks and shares ISA with Manager B in March 2020. She has now subscribed £28,000 in total. Neither ISA manager is aware that Mrs Gray has breached the overall ISA subscription limit.

The subscriptions that breached the overall limit were the £12,000 to the cash ISA in October 2019 and the £6,000 to the stocks and shares ISA in March 2020. The £6,000 subscribed to the stocks and shares ISA with Manager B in March 2020 must therefore be removed, together with £2,000 of the £12,000 subscribed to the cash ISA with Manager A in October 2019. Mrs Gray is therefore left with two ISAs, in which £20,000 has been subscribed:

- a cash ISA with manager A, which contains £14,000
- a stocks and shares ISA with manager B, which contains £6,000

7. Investor subscribes to invalid combination of ISAs and exceeds the subscription limit

Mr Redson subscribes:

• £5,000 to a cash ISA with manager A in April 2019

• £7,000 to a stocks and shares ISA with manager B in May 2019

• £10,000 to a cash ISA with manager C in October 2019

The ISAs with Managers A and B are valid, but the ISA with Manager C is invalid. The cash ISA with C cannot be repaired because Mr Redson has subscribed to two cash ISAs in the same tax year.

The total subscriptions are £22,000, which exceeds the overall subscription limit, but £10,000 must be removed from the cash ISA with Manager C. Mr Redson is therefore left with two ISAs, in which £12,000 is invested in:

• a cash ISA with manager A, which contains £5,000

• a stocks and shares ISA with manager B, which contains £7,000

8. Investor breaches subscription limit and 'one type of each ISA a year' rule

In 2019-2020, Mr Norton subscribes to:

- a cash ISA with manager A - £9,000 in April 2019 and £1,000 in March 2020
- stocks and shares ISA with manager B - £6,000 in May 2019, and £4,500 in November 2019
- a cash ISA with manager C - £3,500 in June 2019

After the end of the year the managers make their returns and HMRC identify that there has been an excess subscription. The ISAs with Managers A and B are valid, and the ISA with Manager C is invalid as this breaches the more than one type of ISA a year rule.

The total subscriptions are £24,000, which exceeds the £20,000 annual subscription limit. The £3,500 subscribed to Manager C must be removed. Mr Norton is left with two ISAs, to which he has subscribed £20,500 in total.

The subscription that breached the overall limit was £1,000 to the cash ISA in March 2020. £500 of the £1,000 subscribed to the cash ISA with Manager A in March 2020 must also be removed. Mr Norton now has two valid with ISAs to which he has subscribed £20,000:

- a cash ISA with manager A, which contains £9,500
- a stocks and shares ISA manager B, which contains £10,500

9. Investor receives interest on subscription that needs partial repair

Mrs Green subscribed £5,000 to a cash ISA in 2019-20. Interest was paid on 31 January 2020 and 31 January 2021.

HMRC informs the manager that an excess subscription of £1,000 must be removed from the ISA, this is one fifth of her subscription.

The interest paid will count towards her Personal Savings Allowance

One fifth of the interest paid on 31 January 2021 needs to be removed from the ISA.

10. Investor receives interest on invalid subscription

Mr Abraham has a cash ISA to which he subscribed £3,000 in 2019-20. HMRC sends the ISA manager a part-repair notice dated 10 January 2021, saying that the ISA needs to be repaired by removing £1,000 from the ISA. Interest of £60 was paid before 10 January 2021.

The manager removes the £1,000 from the account and pays it to him together with the £20 interest (i.e.1/3 of the interest of £60).

The ISA should now contain £2,040 in total (i.e. £2,000 plus 2/3rds of the interest of £60).

The £20 interest paid to him will count towards his Personal Savings Allowance.

11. Investor subscribes to invalid stocks and shares ISA

Mr Sarkar has an invalid stocks and shares ISA to which he subscribed £7,200 in 2019-20. HMRC sends the ISA manager a notice dated 10 January 2021, saying that the ISA can be repaired by removing £2,400 from the ISA. At 10 January 2021 the ISA contains 1,500 shares in ABC Ltd, 2,100 shares in XYZ Ltd, and £600 cash.

The manager returns £200 cash and transfers 1/3rd of the shares to Mr Sarker to hold outside his ISA. After repair the ISA contains 1,000 shares in ABC Ltd, 1,400 shares in XYZ Ltd and £400 cash.

12. Investor buys and sells shares using an invalid stocks and shares ISA

Miss Casey has an invalid stocks and shares ISA to which she subscribed £5,000 in July 2019. £3,000 of the subscription is used to buy 3,000 shares in ABC Ltd, and £2,000 used to buy 1,000 shares in XYZ Ltd. In November 2019 she sells the shares in XYZ Ltd for £2,500, and uses £1,500 of the proceeds to buy 1,500 more shares in ABC Ltd.

HMRC sends the ISA manager a notice dated 1 January 2021, saying that the ISA needs to be repaired by removing an invalid subscription of £3,000 from the ISA.

At the date of repair the ISA contains 4,500 shares in ABC Ltd worth £4,500 and £1,000 cash.

The £3,000 excess subscriptions can be removed using the £1,000 cash and £2,000 worth of ABC shares or by removing £3,000 worth of ABC shares.

13. Investor acquires insurance product using invalid stocks and shares ISA

Mrs Chen holds an invalid stocks and shares ISA to which £6,000 subscriptions have been made in 2019-20. £2,000 was used to acquire an insurance product and the balance of £4,000 to buy shares in ABC Ltd. HMRC sends the manager a notice dated 10 January 2021 saying that the ISA needs to be repaired by removing £1,000.

The insurance policy cannot be repaired, it must either stay in the ISA or be removed. Mrs Chen can agree to removing either:

- £1,000 worth of shares, leaving the balance of the shares and the insurance policy in the ISA, or
- the whole of the insurance policy, leaving all the shares in the ISA

14. Investor receives interest on invalid subscription

Mr Ahmed subscribed £3,000 to a cash ISA in 2019-20. Interest was paid on 31 January 2020 and 31 January 2021. The ISA Void Notice (no repair) was issued on 10 January 2021.

The interest paid on the invalid subscription of £3,000 will count towards his Personal Savings Allowance.

The £3,000 invalid subscription and all the interest paid is removed from the ISA.

15. Investor subscribes to ISA that is invalid for only one-year

Mrs Shaw subscribes £7,200 to a stocks and shares ISA in the tax year 2018-19. She continues to subscribe to the ISA in 2019-20 and later years. The ISA subscription made in 2019-20 is invalid and cannot be repaired. The investments bought with the invalid subscriptions in 2019-20, and the associated income, must be removed from the ISA. The investments bought with the valid subscriptions made in 2018-19 and 2020-21 can remain in the ISA.

16. Investor sells shares and withdraws cash from invalid ISA

Mr Ford subscribed £15,000 to a cash ISA in 2019-20 with manager A. He then subscribed £7,000 to a stocks and shares ISA with manager B. £3,500 of the subscription was used to buy 2500 shares in ABC Ltd, and £3,500 to buy shares in XYZ Ltd. He later sold the shares in ABC Ltd for £4,000, and withdrew the money from his ISA.

HMRC sends a notice informing the ISA manager that the ISA is invalid, but repairable by removal of investments representing £2,000 subscription.

The £4,000 cash withdrawn from the stocks and shares ISA is more than the £2,000 that HMRC says needs to be removed. No removal is required by the ISA manager, although any dividends paid into the ISA from the ABC shares that were sold will also need to be removed.

17. Investor subscribes to valid and invalid stocks and shares ISAs

Mr McManus subscribed to a stocks and shares ISA with manager A and then opened a second stocks and shares ISA with manager B in 2019-20. The subscriptions to the second ISA with manager B are invalid, cannot be repaired and will be void.