



First Home Steps Account (Issue 5)

Where home matters [principality.co.uk](https://www.principality.co.uk)

Summary Box

What is the interest rate?	<p>4.00% Gross* each year/AER† (Variable)</p> <p>(See the meanings of 'Gross' and 'AER' below this summary box.)</p> <p>Interest is calculated each day on the money in the account and paid into the account on 1 January every year.</p>
Can Principality change the interest rate?	<ul style="list-style-type: none"> • Yes, variable interest rates can go up or down. • If you have £100 or more in the account, we will give notice of any reduction in interest rates at least 14 days before the change takes effect. • For more information, see the section Changes to interest rates in our Savings Terms and Conditions.
What would the estimated balance be after 12 months based on depositing either £750 or £1,000 every calendar month?	<p>This is based on you making the first payment on the date the account was opened, no money being taken out of the account and no change to the interest rate:</p> <p>£9,194.30 This is based on you paying in £750 a month for 12 months.</p> <p>£12,259.07 This is based on you paying in £1,000 a month for 12 months.</p> <p>This calculation is for guidance only, to show you what a future balance could look like. It does not consider your individual circumstances.</p>
How do I open and manage my account?	<ul style="list-style-type: none"> • You can only open this account if you do not own or have not previously owned a property. • You must be 18 or over and a UK resident (see your First Home Steps Account account terms). • You can't have more than one of this issue number of the First Home Steps Account in your name. • You can open the account online, in branch or at an agency. Accounts opened in branch can be a joint account. Accounts opened online cannot be a joint account. • If you open the account in branch, you can manage the account in branch, at an agency, by post, or by using a secure online profile with Principality. • If you open your account online you have to link the account to a current account in your name with another UK bank or building society in order to move money when you need it. You must manage your account using a secure online profile with Principality. • You must keep at least £1 (the minimum balance) in the account. • The most you can pay in each calendar month is £1,000, in one or more payments. • If the account reaches £50,000, you cannot pay any more money in. • You do not have to make payments into the account every month.
Can I withdraw money?	<ul style="list-style-type: none"> • Yes, you can make three withdrawals from the account every calendar year. • Closing the account counts as a withdrawal.

Summary Box continued

Additional information	<ul style="list-style-type: none"> • To receive the £500 Celebratory Bonus you must: <ul style="list-style-type: none"> - Be a first time buyer; you can't have previously owned a property in the UK or abroad. We will check this when you apply for your mortgage. - Apply for your mortgage directly with Principality Building Society; you must apply directly to us, not through a broker or intermediary. <p>Important Notes</p> <ul style="list-style-type: none"> - The bonus is available for people who have had a First Home Steps account a year or more. So your account must have been open for at least 12 months, and kept open until the bonus has been paid into it. - You'll receive the bonus within 21 days when you complete on a home purchase using a Principality mortgage <p>See your First Home Steps account terms for further information.</p> <ul style="list-style-type: none"> • Service charges and costs may apply to the account. These are set out in our Tariff of Charges. • In certain circumstances we may refuse an instruction for using an account. These circumstances are set out in our Savings Terms and Conditions. • If the total amount of interest you earn is more than your tax-free Personal Savings Allowance, you may have to pay tax directly to HM Revenue & Customs (HMRC). For more information, visit gov.uk and search Personal Savings Allowance. • The interest rates quoted above were correct on 05/02/2026.
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Please turn over for Account Terms

Meanings of Interest terms

* **Gross** interest is the rate of interest before income tax is deducted at the rate set by law.

† **AER** stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest were paid once each year on the whole balance, including previous interest payments.

Principality Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, reference number 155998.
Principality Building Society, Principality House, The Friary, Cardiff, CF10 3FA. [principality.co.uk](https://www.principality.co.uk)



Protected



Account Terms

These account terms, along with the summary box and our Savings Terms and Conditions, apply to your First Home Steps Account (the account).

If there is any difference between these account terms and the Savings Terms and Conditions, these account terms will apply.

Opening the account

To open and use this account, you must be 18 or over and either

- a UK resident, meaning that you have your permanent home in the UK (except the Channel Islands or the Isle of Man); or
- a Crown employee (employed by the Government and serving overseas), or married to or in a civil partnership with a Crown employee.

You must not own or have previously owned a property.

You'll need proof of your address and identity.

If you open the account in branch or at an agency, the account can have up to two account holders

If you open the account online, it cannot be operated as a joint account, or by someone acting on your behalf (for example, someone who has power of attorney to act for you).

You can only have one of the current issue number of the First Home Steps Account.

This account has limited availability. We can stop accepting new applications at any time.

Putting money into the account

The first payment into the account must be at least £1. If we do not receive the payment within five business days of the account opening, we will close it.

You must keep at least £1 (the minimum balance) in the account. If the account reaches £50,000, you cannot pay any more money in.

You can't pay in more than £1,000 per calendar month.

You can make electronic payments into the account from another UK bank or building society account. If you open the account in branch you can also make payments into the account by cash or cheque.

After your first payment, you can pay in money by standing order from another UK bank or building society account in your name with another provider.

To make sure we receive the standing order payments by the end of each month you should ensure they leave your bank or building society by the 20th of the month.

This account has a variable interest rate. This means the rate can go up and down. This is explained in the Changes to interest rates section of the Savings Terms and Conditions.

We work out the interest on the money in the account daily and pay it into the account on 1 January each year.

Taking money out of the account

If you open this account online, the account must have a linked UK bank or building society account in your name to which electronic payments can be made. Payments must be made to this linked account.

You can take money out of this account up to three times in any calendar year without losing interest. For more information, see the Taking money out of the account section in the Savings Terms and Conditions.

Closing the account also counts as taking money out.

You can take money out for any reason.

Unless we reduce the interest rate, you can't take money out of the account again until the start of the next calendar year.

If we reduce the interest rate, you can take money out one more time or close the account within 30 days from the date we tell you about the interest rate change.

Celebratory Bonus payment

You may be eligible for a Celebratory Bonus (Bonus) of £500, if

- this account has been open for at least 12 months; and
- you have £1 or more in the account; and
- you complete on a Principality Building Society residential mortgage to buy your first home in England or Wales.

Some important points to know:

- the mortgage application must have been completed using a Principality Mortgage Advisor either in a branch or over the phone
- opening this account doesn't mean that your application for a mortgage will be accepted. All mortgage applications are subject to status and lending criteria.

Account Terms continued

Only one Celebratory Bonus can be paid to one First Home Steps account per mortgage. This means:

- when there is a joint mortgage and more than one applicant has a qualifying First Home Steps account, the Bonus will only be paid into the account of the first eligible person named on the mortgage.
- when there is a First Home Steps account with joint account holders, only the first account holder to successfully complete on a mortgage will be eligible for the Bonus. This will be paid into the joint account.

The Bonus will be paid into your First Home Steps Account within 21 days of your mortgage completion, so you need to keep the account open with at least £1 until the Bonus is paid.

You can't transfer or sell this Bonus.

If the account is closed, you will no longer be eligible for the Celebratory Bonus.

Closing the account

As closing the account counts as taking money out, you can only close the account if you have not already taken money out three times in the current calendar year. If you have, you cannot close the account until the start of the next calendar year.

If we reduce the interest rate, you can use your extra withdrawal to close the account.

If you close the account, you won't lose interest.

For information about when we can close the account, see the Closing your savings account section of the Savings Terms and Conditions.

If you have any questions, you can call us, send us a secure message or write to us. You can find our contact details on our website.

