



# The ISA landscape

Insights into consumer knowledge  
and engagement





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# The changing ISA landscape – an overview

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ISAs, or Individual Savings Accounts, were introduced over 25 years ago, in 1999, and were an immediate success. Almost 10 million people took out an ISA in the launch year, saving or investing over £28 billion<sup>1</sup>. By 2022-23, the amount saved and invested had grown to £725.9 billion<sup>2</sup>.

Over the years, the ISA landscape has expanded and evolved, and although the principle of offering tax-free returns on savings and investments remains straightforward enough, the ISA regime itself has elements of complexity with several changes made to allowances and rules.

Stocks and Shares and Cash ISAs have been available since launch, but further ISA types, including Lifetime ISAs and Junior ISAs, have been added to the range. There have also been increases in the amounts that can be saved and invested (see appendix). Additionally, a change in the rules in 2014 meant that ISA savers could save the whole allowance in cash, rather than a maximum of up to 50%, as was previously the case.

## Government's growth focus

As part of its growth agenda, the UK government is keen to encourage more consumers currently saving in cash to invest. This ambition aligns with the Financial Conduct Authority's (FCA) plan, first announced in 2021, to address investment harm, which includes the aim of reducing the number of consumers missing out on investment returns.

<sup>1</sup> [Income tax statistics and distributions](#)

<sup>2</sup> [Commentary for Annual savings statistics: September 2024 – GOV.UK](#)

<sup>3</sup> [FCA sets out plan to tackle investment harm | FCA](#)

The FCA estimates that nearly 8.6 million consumers hold more than £10,000 of investible assets in cash<sup>3</sup>, which is a significant untapped opportunity to support individuals in growing their wealth through investing.

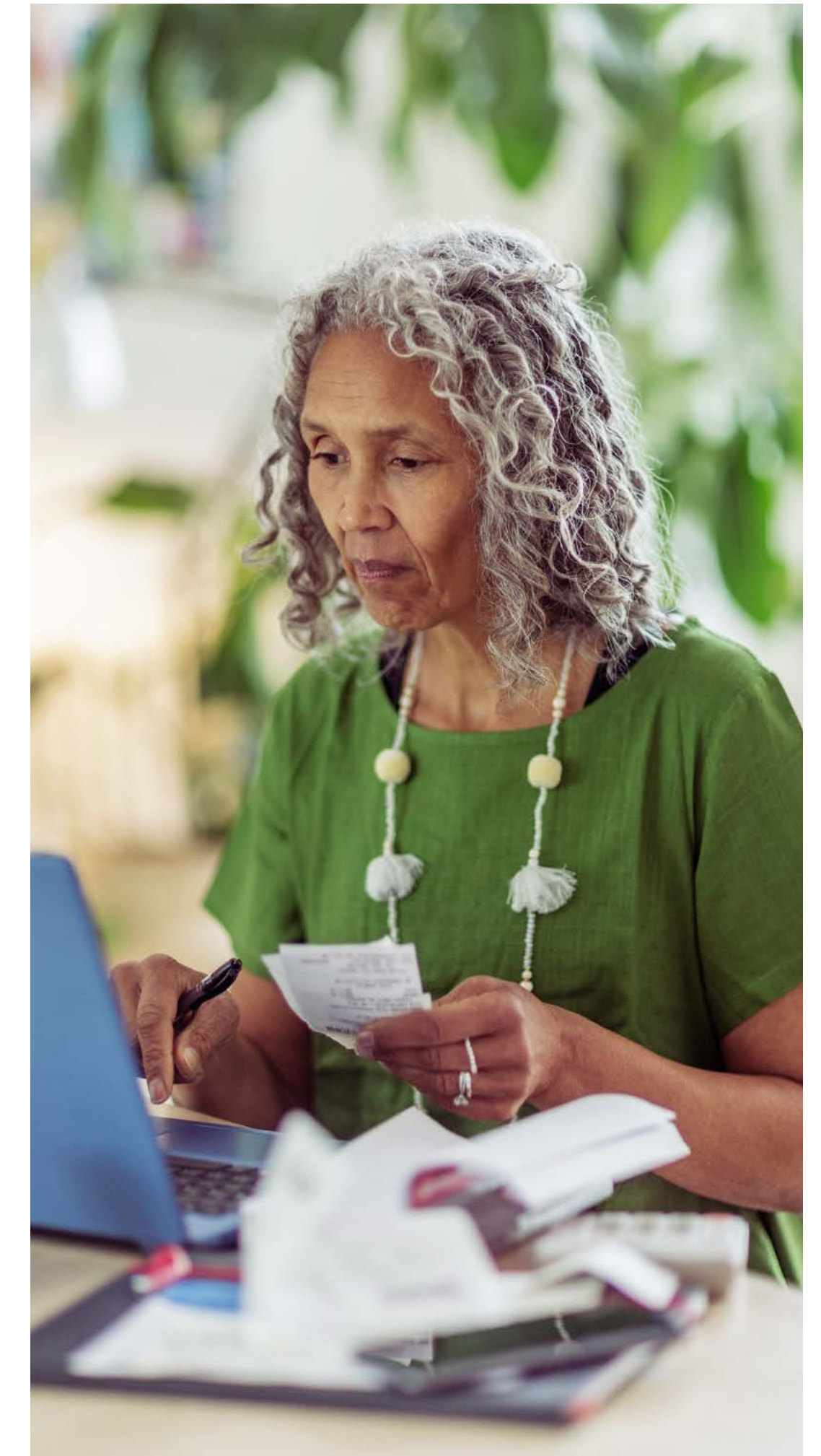
## Our research aims

It is against this backdrop, using an independent research company and surveying a nationally representative sample of 4,000 UK adults, that we wanted to explore people's understanding and awareness of ISAs, particularly Stocks and Shares ISAs.

We also wanted to identify some of the barriers to investing and understand the behaviour of Stocks and Shares ISA holders around transfers. Crucially, we examined the role financial advisers play in encouraging the uptake of ISAs and building investor knowledge, as well as the value their advice provides.

Our research aims to offer clear insights into the factors influencing consumers' engagement with ISAs, from awareness to decision making, and to identify the critical knowledge gaps that the financial services industry and advisers can proactively address.

Increasing understanding and knowledge alone will not be enough to encourage everyone, or even the majority, to invest, but it could help break down some of the current barriers.



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ISAs have been part of our savings and investing landscape for over a quarter of a century, but our research reveals that twice as many people have a Cash ISA as a Stocks and Shares ISA, with a lack of understanding one of the major barriers to people choosing to invest though a Stocks and Shares ISA. We hope that this report provides valuable insights for advisers on consumers’ understanding of and engagement with Stocks and Shares ISAs.

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**JO KITE**

Chief Customer Officer

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ISAs are a popular savings product, but many people, including some of those who hold ISAs, are confused about their tax benefits.

Our research reveals who is investing in Stocks and Shares ISAs, why they have one and the role of financial advisers in their decision making. By using a large sample size, we have been able to examine the attitudes and behaviour of different demographic groups in relation to saving and investing in ISAs.

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**SARAH PENNELLS**

Consumer Finance Specialist

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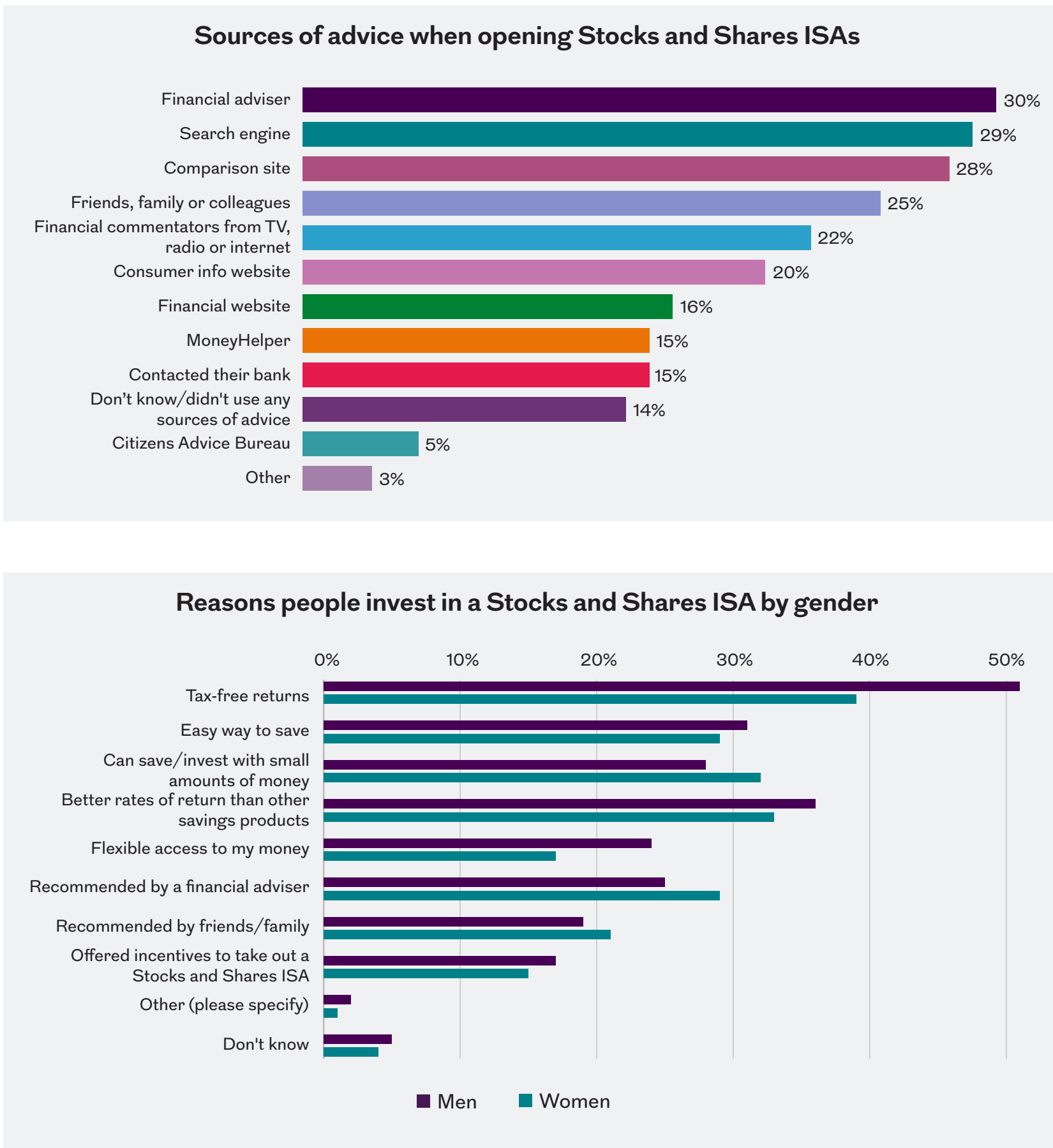
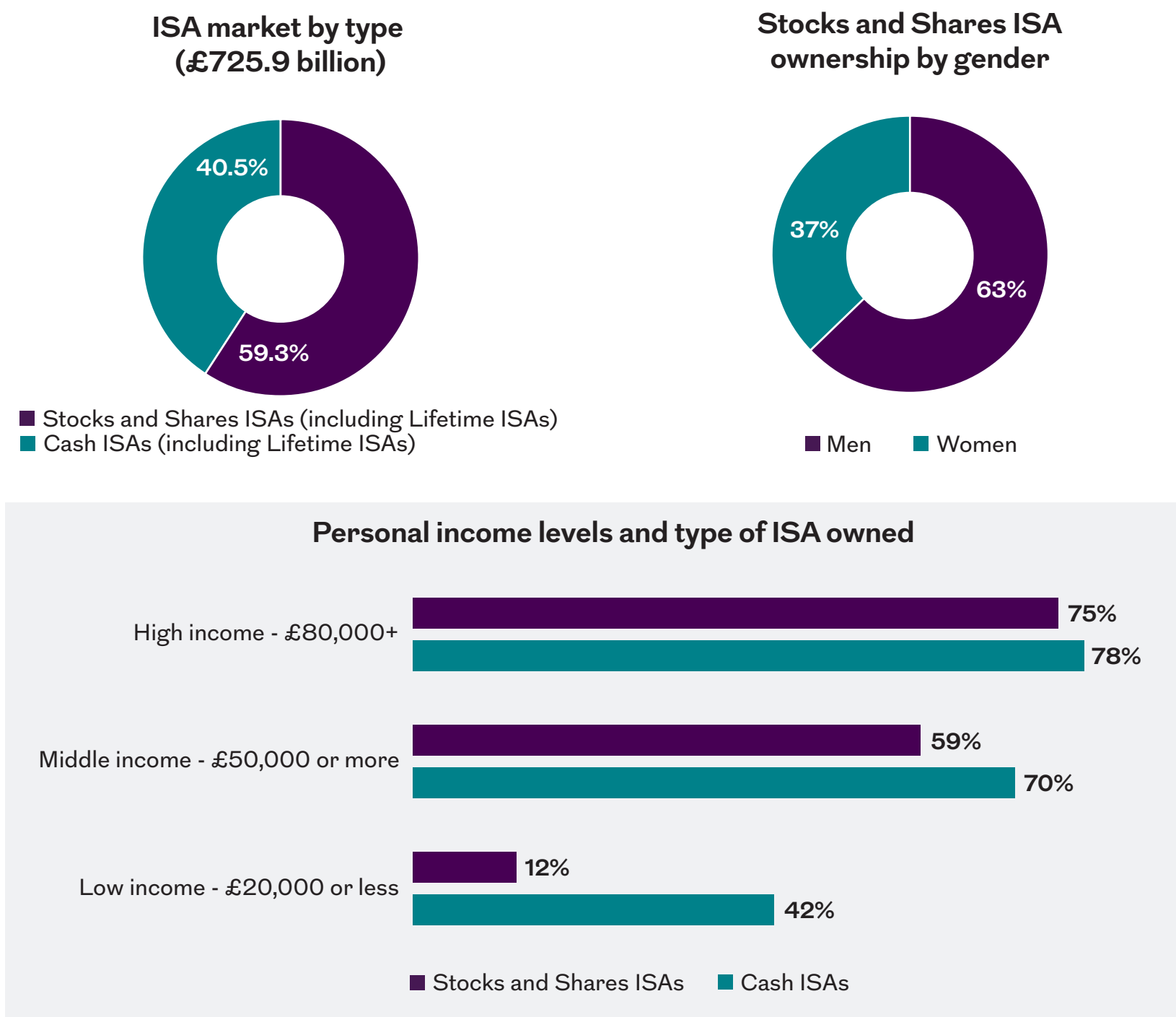




# Summary

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This report explores consumers' understanding of ISAs and appetite to save or invest. It also looks at the barriers to investing in Stocks and Shares ISAs. The results show mixed levels of understanding of the tax benefits of ISAs, and some level of confusion about risks associated with both saving and investing. They also reveal opportunities to break down some of the existing barriers to investing.





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## Key insights into who owns ISAs

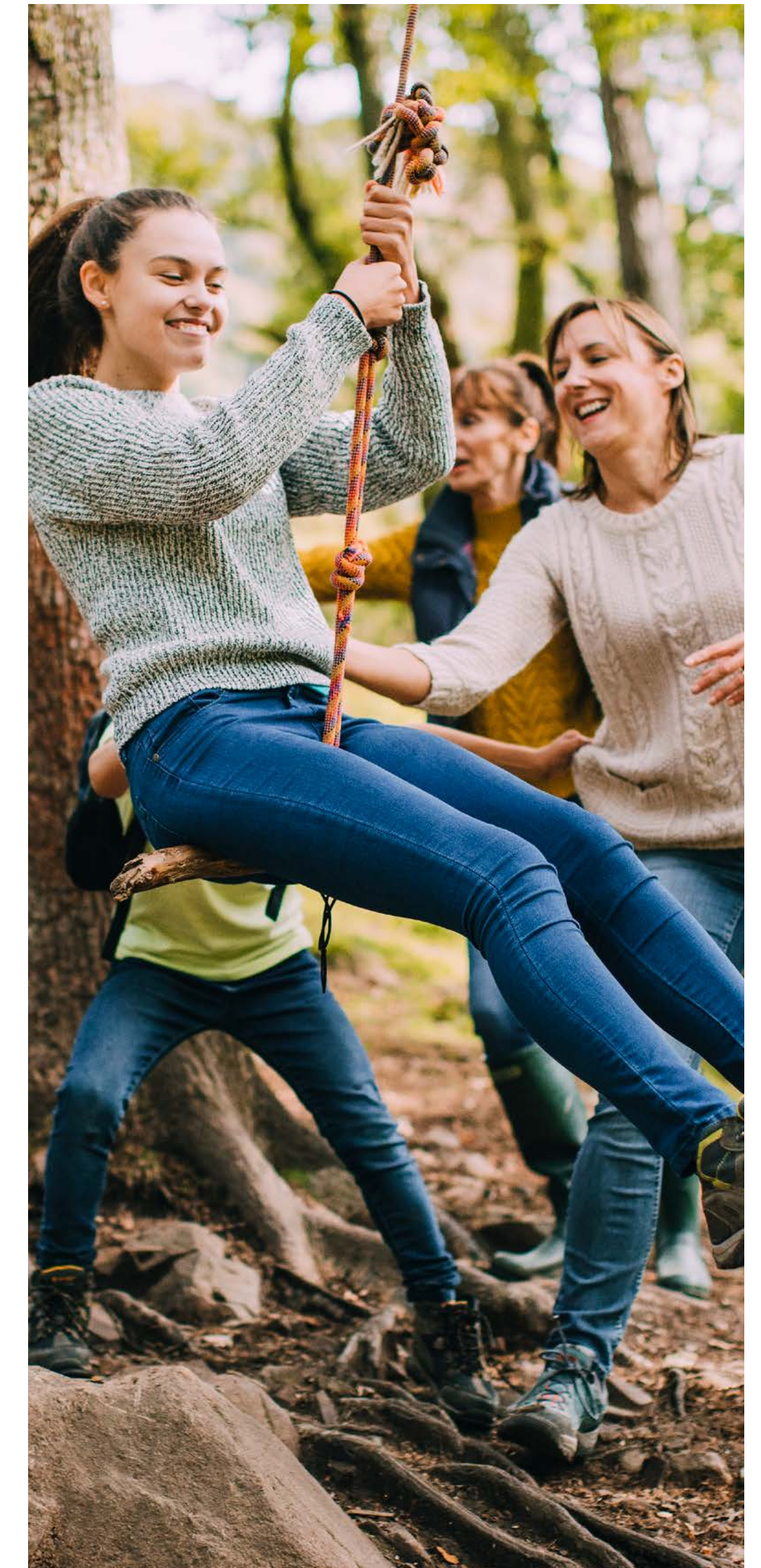
ISAs are popular savings and investment vehicles in the UK. Over half of our sample have a Cash ISA and over one in four have a Stocks and Shares ISA.

- Stocks and Shares ISAs make up the **biggest share** of the overall **£725.9bn** ISA market, but most **new contributions** go into **Cash ISAs**.
- More **men** than **women** have **Stocks and Shares ISAs**, but there was little **gender difference** in **Cash ISA** ownership.
- For Stocks and Shares ISA holders, most were **attracted** by the **tax-free returns**, followed by the potential for **higher returns** and the **£20,000 annual allowance**.
- Despite the generous **£20,000 allowance**, only **16% of ISA holders** in our sample **save or invest up to the limit**.
- Nearly **half of Stocks and Shares ISA** holders use them to **save for retirement**, but, worryingly, **one in four** use their Stocks and Shares ISA for **emergency or unexpected bills**.

## Key insights into understanding of ISAs

Despite widespread use, ISAs remain misunderstood, especially their tax benefits, and attitudes to risk were mixed.

- More people understood the **tax treatment** of **Cash ISAs** than **Stocks and Shares ISAs**.
- When asked about **wider knowledge** of **Stocks and Shares ISAs**, **91%** of holders claimed **some knowledge**, **32%** a **lot of knowledge** and **7%** **none**.
- Only **34% of adults** correctly thought that the statement '**you pay tax on any gains you make on a Stocks and Shares ISA**' is false.
- When it came to **investment risk**, most people **accepted some risk** if balanced with **safer options**, a quarter would **take risks for higher gains**, and the same percentage preferred **secure returns only**.
- Over **one-fifth of Stocks and Shares ISA holders** preferred secure returns, suggesting a possible misunderstanding of investment risk.





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## Key insights into barriers to investing

**Lack of knowledge is one of the main barriers stopping people from investing in Stocks and Shares ISAs, along with a concern about losing money.**

- Over half our sample don't have any investments, with **'not having enough money'** and **'fear of losing money'** the two most cited reasons for this.
- More **women** than **men** said **insufficient funds** and **lack of understanding** were reasons for not investing.
- Among **Cash ISA** holders, **39%** said the potential to get a **better return** than with a savings account could **persuade** them to move some **cash into a Stocks and Shares ISA**, but a similar number, **four in 10**, said **nothing** would **persuade** them to switch.

## Key insights into ISA transfers

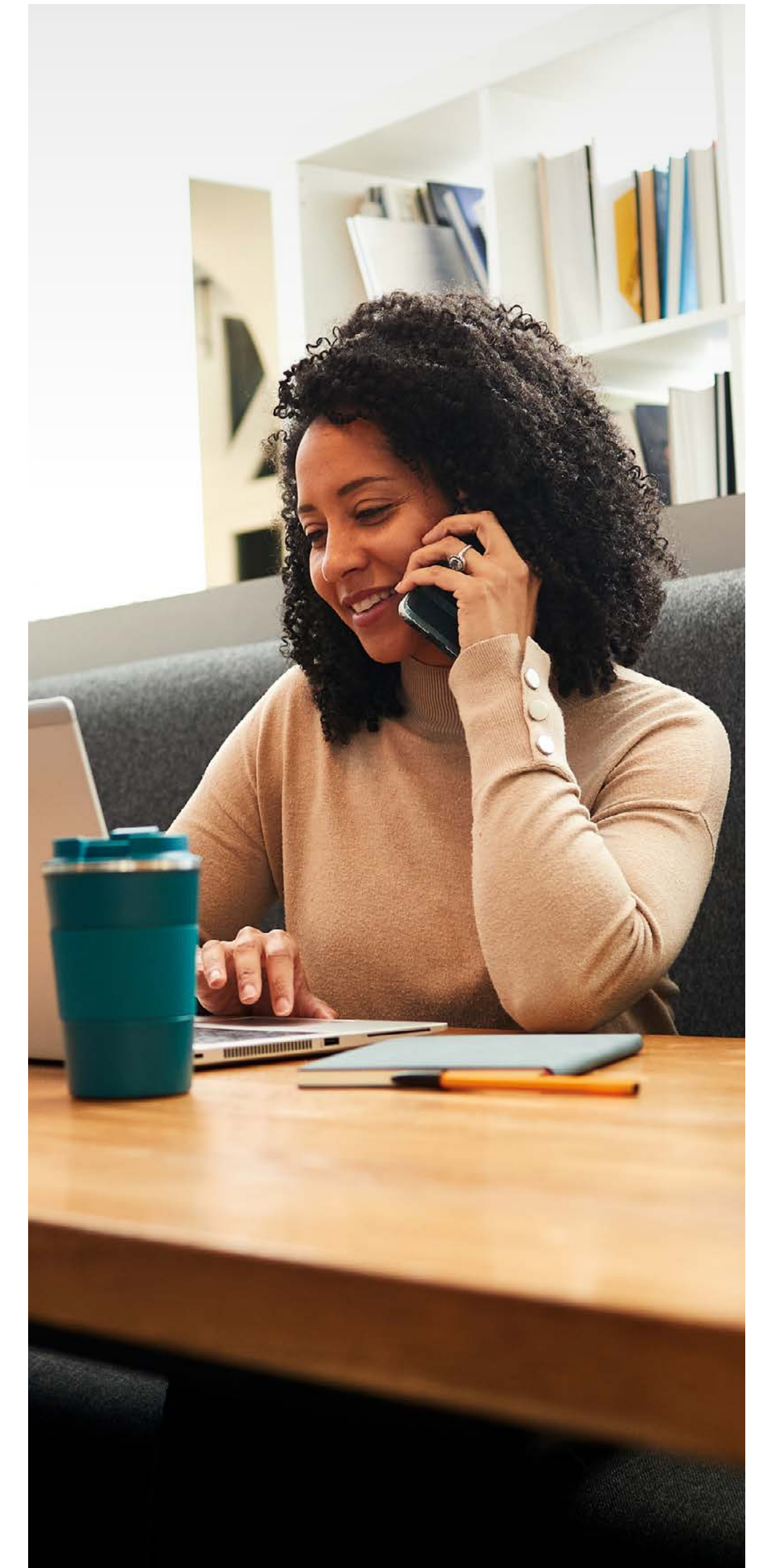
**Understanding of ISA transfer rules was relatively weak, with many unsure of what can be transferred and how transfers work.**

- **Stocks and Shares ISA holders** and those with **higher incomes** were more aware of transfer rules than **Cash ISA holders** or **lower-income** groups.
- Most **ISA holders** have **never transferred**, although **transfers were more common** among people with a **higher level of savings** and **multiple ISA providers**.
- Top **motivations to transfer** were **better rates or better returns**, consolidation for **convenience** and **recommendations from an adviser**.
- People who'd taken **financial advice** were **more knowledgeable about ISA transfers**.

## Key insights into the role of advisers and ISAs

**Advisers are pivotal in the ISA market, particularly around transfers.**

- **30%** of consumers opened their Stocks and Shares ISA having **taken financial advice** and **26%** transferred on the **recommendation of an adviser**, while **14%** of people had **no advice** or help before opening an ISA.
- **Over half** of **Stock and Shares ISA holders** chose their own investment funds, just over a **quarter** relied on their **providers** and fewer than **one in five** on **advisers**.
- People with a **higher level of savings** are much more likely to use **financial advisers**.





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# Who invests in ISAs?

In this section, we explore the size of the ISA market, who's investing, how much, and what people are using their ISAs for.

## Key insights

- Cash ISAs are more popular than Stocks and Shares ISAs across all income bands, only drawing level for consumers earning £80,000 or more, with tax-free returns the main attraction.
- Almost half of those with a Stocks and Shares ISA use it to save for their retirement.

ISAs have been a savings success story since their launch over 25 years ago, with approximately one in two UK adults (22.3 million<sup>4</sup>) having an ISA, according to government figures. This is echoed in our own research, which shows that 51% of our sample have a Cash ISA and over one in four (27%) have a Stocks and Shares ISA.

Since launch, ISAs have evolved significantly. Initially, people could invest up to £7,000 a year in ISAs (of which £3,000 could be saved in cash). That annual limit increased to £20,000 in 2017, where it has remained ever since. The range of ISAs has also expanded to include Junior ISAs, Innovative Finance ISAs and Lifetime ISAs.

Our research shows that

**51%  
of adults**

have a Cash ISA and  
**27%** have a Stocks  
and Shares ISA.

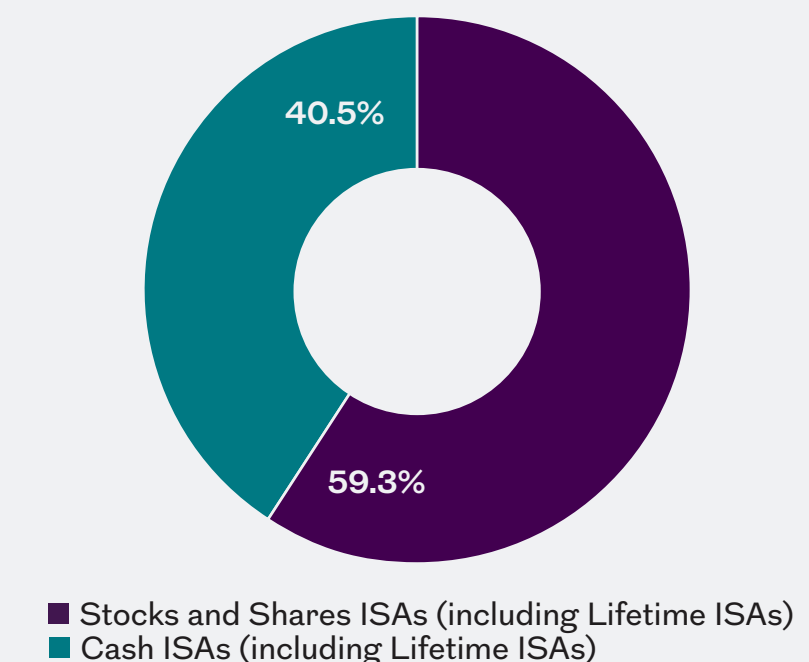


<sup>4</sup> [Commentary for Annual savings statistics: September 2024 – GOV.UK](#)

## ISA market size

Cash ISA savings and Stocks and Shares ISA investments amount to assets worth £725.9 billion, according to government figures for 2022-23, with the majority held in Stocks and Shares ISAs.

ISA market by type (£725.9 billion)



Source: HMRC – [Commentary for Annual savings statistics: September 2024 – GOV.UK](#)

Despite this, most new contributions go into Cash ISAs.

Money paid into ISAs (2022-2023) – £69.6 billion



Source: HMRC data (chart 9.4) [Annual savings statistics 2024 – GOV.UK](#)



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Most ISA wealth is held in Stocks and Shares ISAs, but the majority of new contributions go into Cash ISAs. While it is good financial planning to have some cash savings, many consumers keeping money in Cash ISAs could be missing out on potential growth by not investing.

Government data shows nearly eight million adults pay into a Cash ISA, with approximately half as many using a Stocks and Shares ISA<sup>5</sup>. Of those in our sample who have an ISA, approximately six in ten say it’s their main savings or investment product.

How much are people saving or investing?

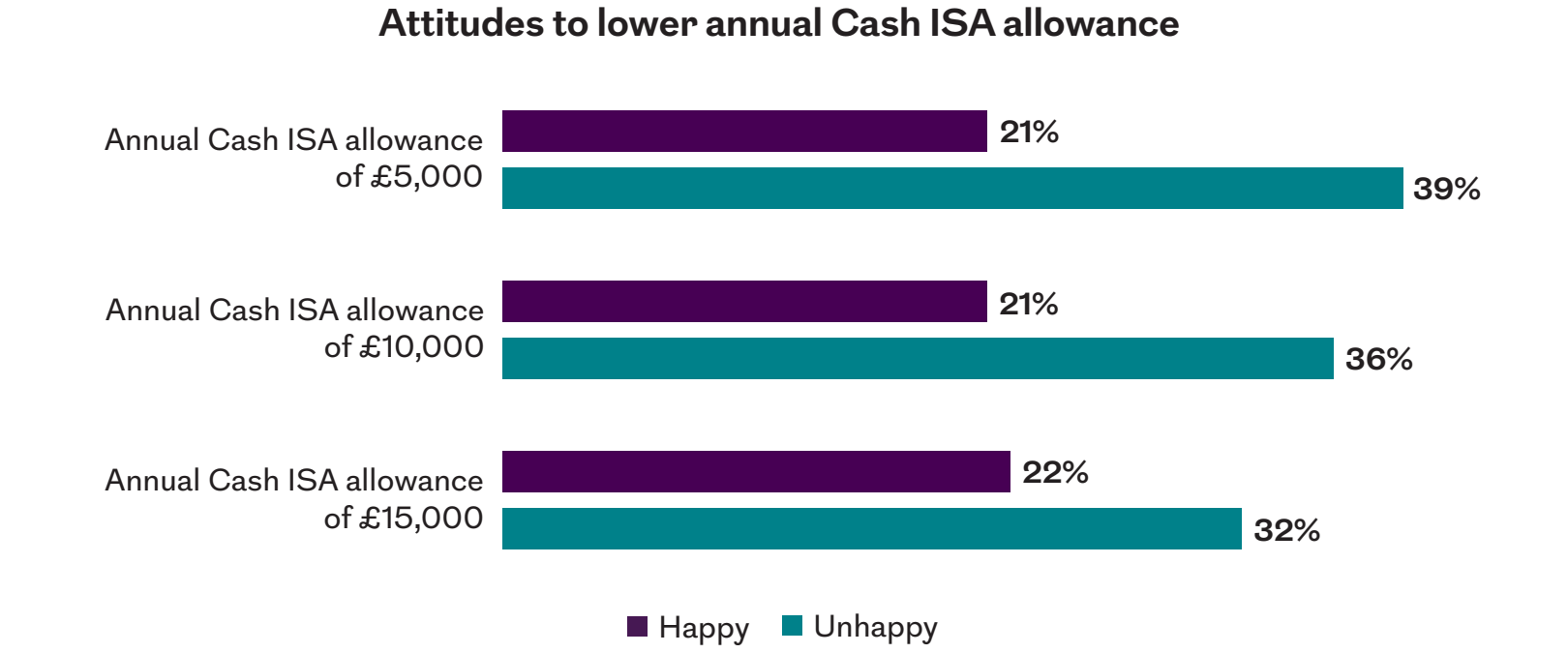
There was some intense debate over the summer about the amount of money that savers can currently shelter in a Cash ISA each tax year and whether this should change. Our research shows that many Cash ISA savers and Stocks and Shares ISA investors set aside far less than the maximum £20,000 allowable under the rules. Only 16% of ISA subscribers in our sample save or invest up to this limit.

Government figures from 2021-22 show a similar pattern, with 16.9% of subscribers saving or investing the maximum. Those same figures show that higher earners were most likely to max out their allowance; almost four in ten people earning £100,000 to £149,999, and 58.5% of those earning £150,000 or more used the full £20,000 allowance<sup>6</sup>.

On average, our respondents contributed £3,250 to a Stocks and Shares ISA each tax year and £2,923 to an easy access Cash ISA. Fixed-rate Cash ISAs received the highest average annual contributions, at £4,957. This is not surprising, as fixed-rate savings products may only allow contributions over a short time period after opening.

Although many savers and investors do not use the full ISA allowance, there was strong resistance to rumours over the spring and summer of 2025 that the UK government was planning to reduce the annual Cash ISA limit to encourage people to invest rather than save. For now, at least, the government appears to have reconsidered this strategy, but as part of our research, we wanted to explore how any reduction in the Cash ISA limit would be received.

5 Chart 9.4 Individual Savings Account (ISA) tables – [Annual savings statistics 2024 – GOV.UK](#)  
6 Chart 4 – [Commentary for Annual savings statistics: September 2024 – GOV.UK](#)



Respondents were asked, ‘How would it make you feel if the amount you could save in a Cash ISA every tax year was reduced from its current limit of £20,000 to £5,000, £10,000 or £15,000 a year?’

Who are ISA savers and investors?

As part of our research, we wanted to understand who holds ISAs and what they use them for. Unlike pensions, which are designed for retirement saving, ISAs can be used for a range of savings goals. And, whereas automatic enrolment has enabled employees and workers on both modest and significant incomes to save for retirement without actively deciding to do so, ISAs do not work in the same way.

While we would expect more people with higher incomes to invest in Stocks and Shares ISAs and to hold a higher balance, income is only one factor. The level of savings someone has, as well as their gender and age, also have an influence.



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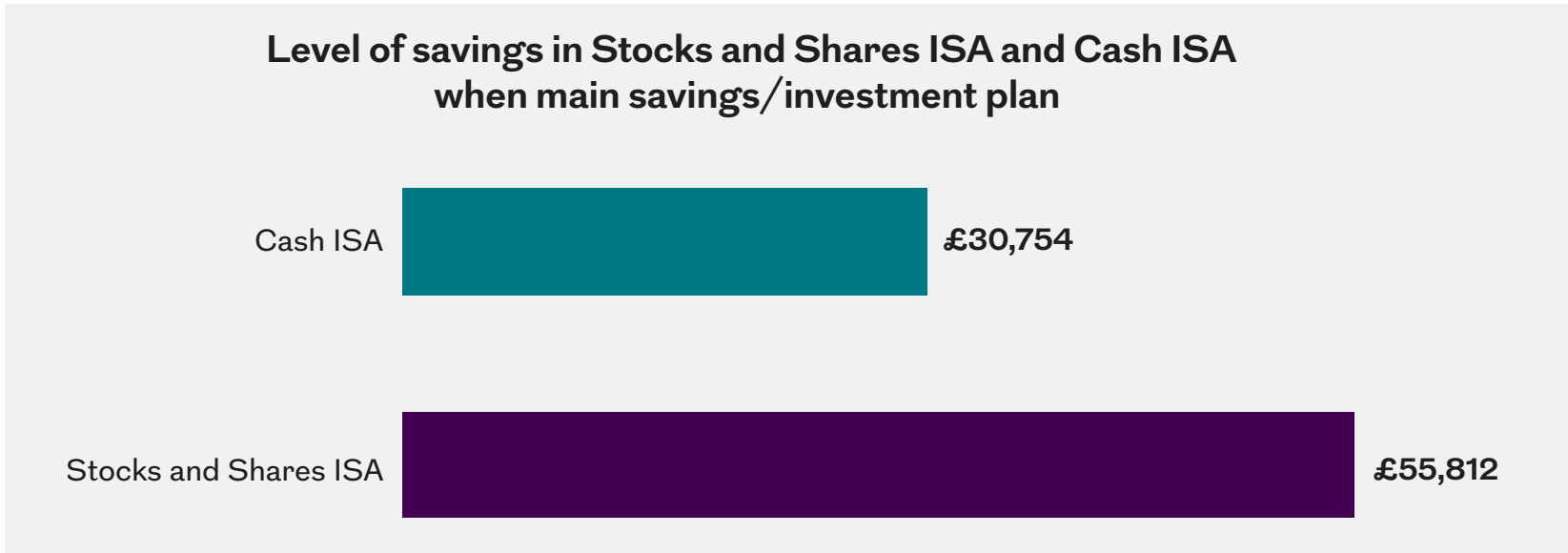
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Level of savings

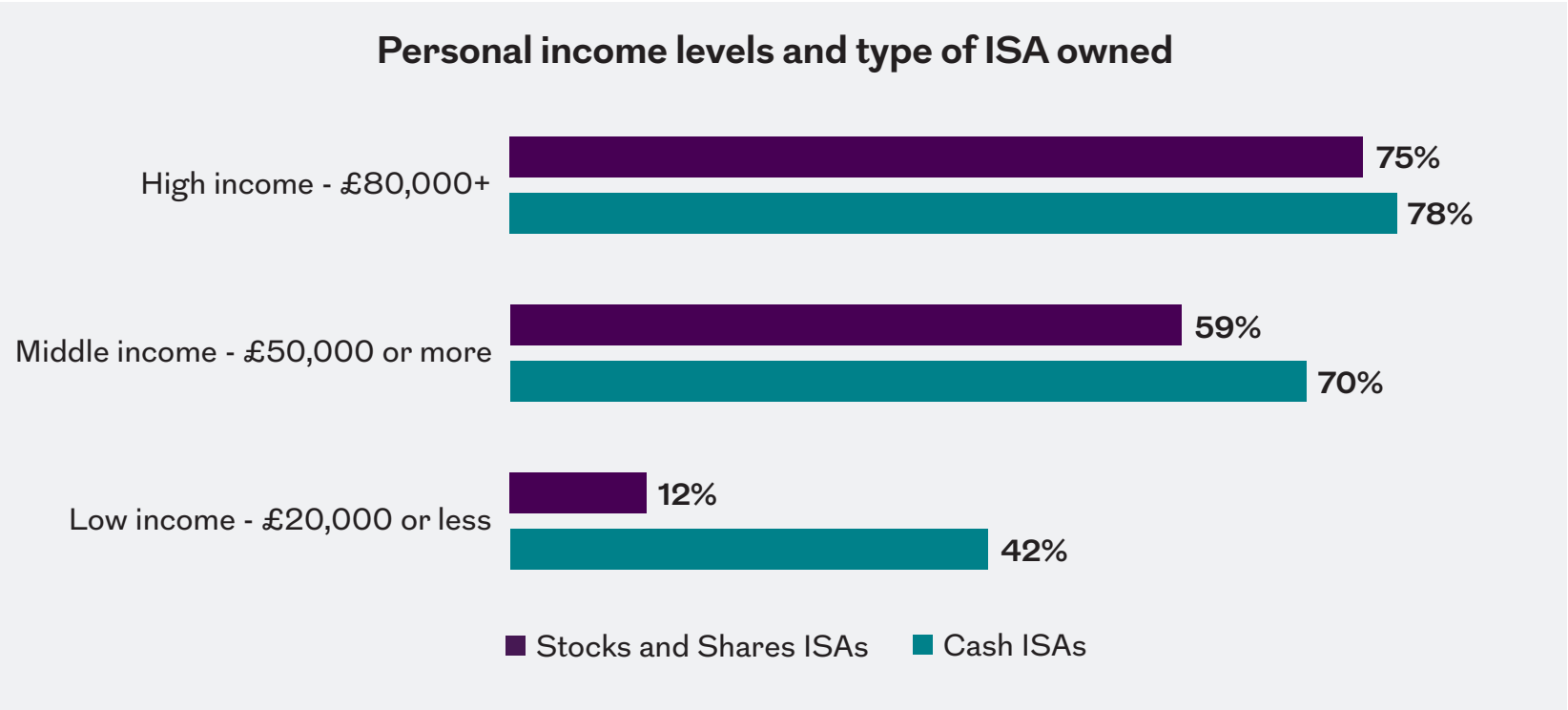
Our data reveals that 38% of those who have a Cash ISA say it’s their main savings product and 13% of Stocks and Shares ISA investors say it’s their main investing product. Where an ISA is an individual’s main savings or investment plan (excluding their pension), they have at least £30,000 in their Cash ISA, with Stocks and Shares ISA investors holding almost £56,000, on average. This is above the average level of cash savings UK adults hold (our Financial Resilience research<sup>7</sup>, conducted in February 2025, showed that average cash savings were £15,864).



Income insight

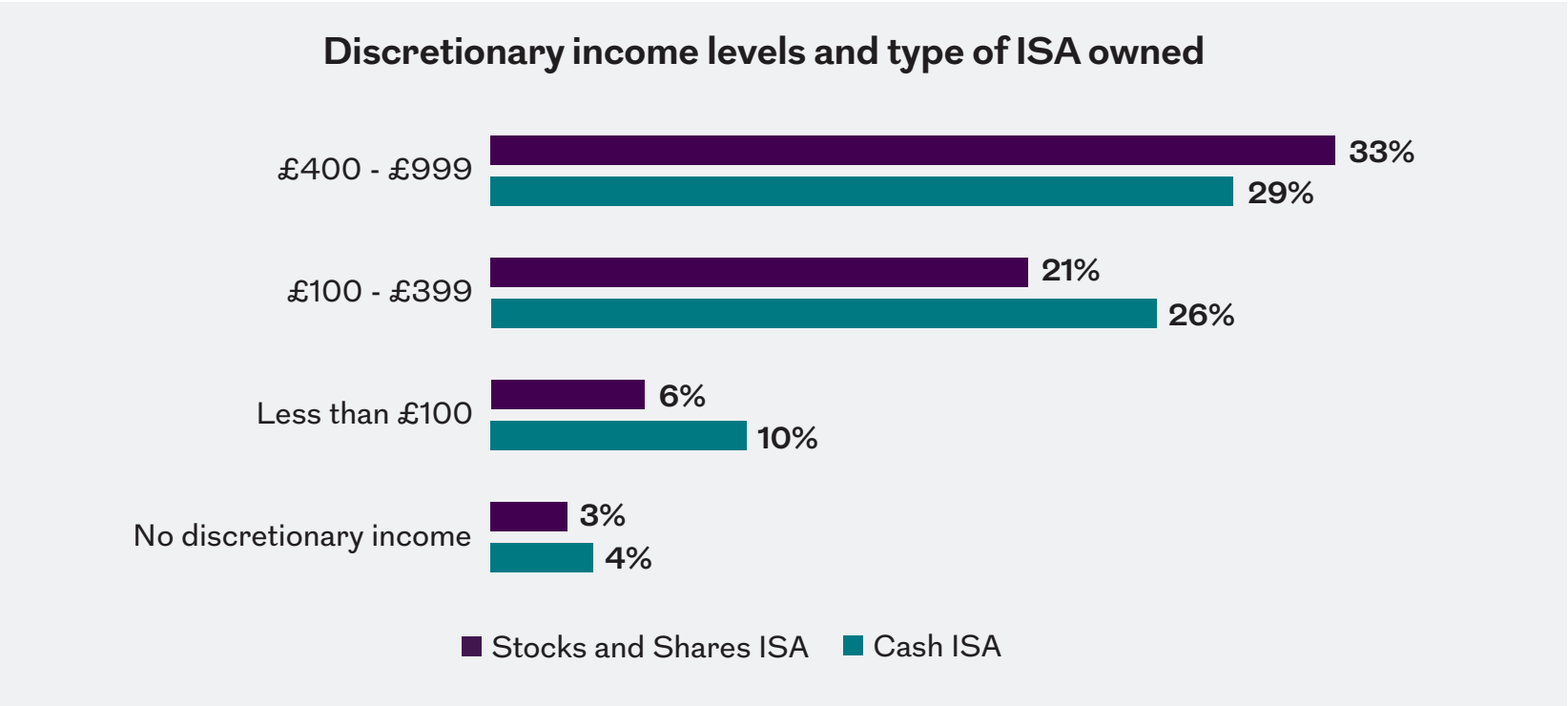
Our data shows that people with a lower income (below £20,000) are more than three times more likely to have a Cash ISA than a Stocks and Shares ISA (42% have a Cash ISA compared with 12% who have a Stocks and Shares ISA). However, this gap narrows with rising income levels. Seven in ten (70%) of adults earning £50,000 or more have a Cash ISA, while almost six in ten (59%) have a Stocks and Shares ISA. Once personal income levels reach £80,000 a year or more, the percentages holding a Cash ISA and Stocks and Shares are almost identical; 78% have one or more Cash ISAs and 75% have one or more Stocks and Shares ISAs.

7 [Financial Resilience Report 2025 – Royal London](#)



Discretionary income

Income levels can be a crude measure of someone’s ability to save or invest, as two people with identical incomes could have very different levels of financial commitments. Only 3% of those with no discretionary income had a Stocks and Shares ISA. This compares to one in five (21%) of those with between £100 and £399 left over at the end of the month and third (33%) of those with between £400 and £999.





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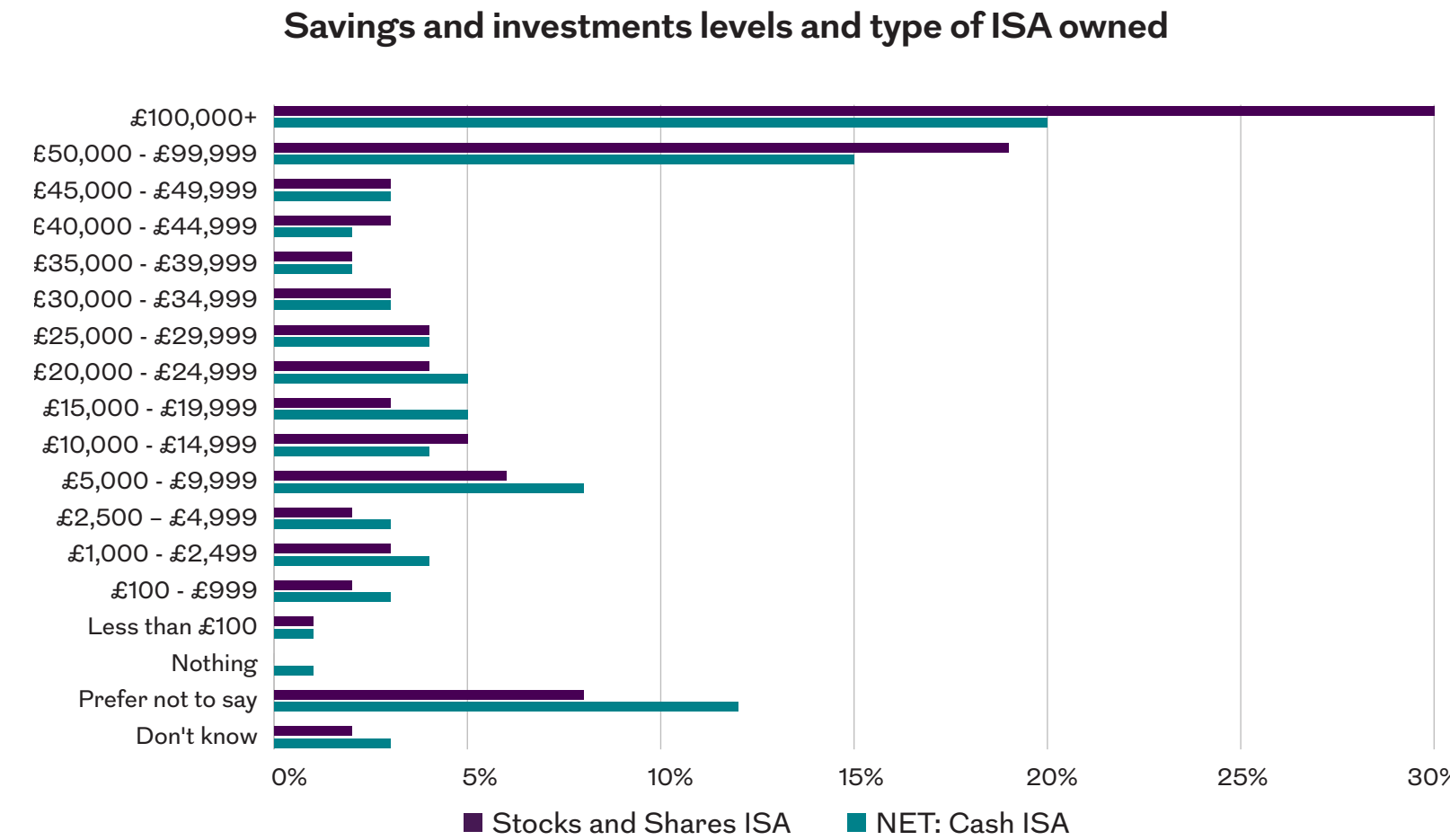
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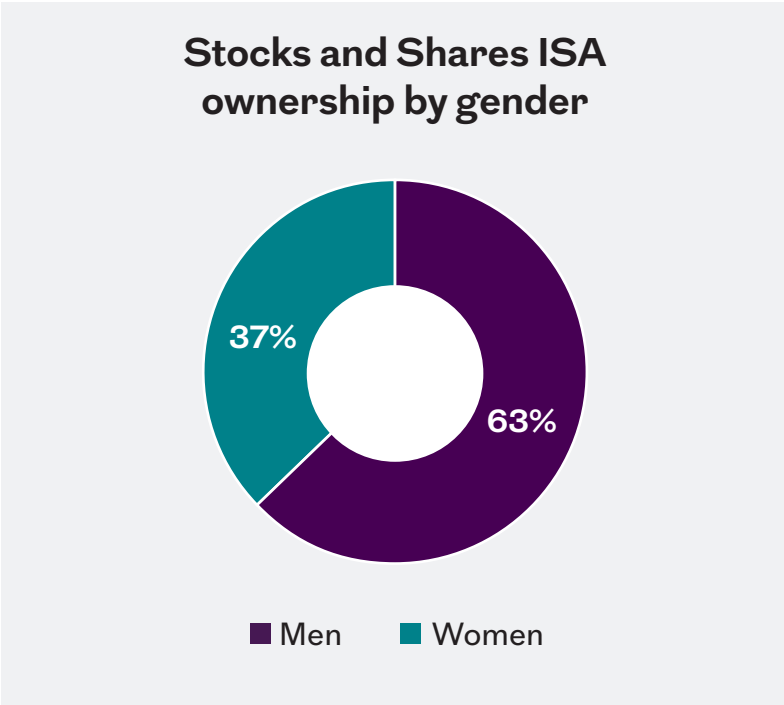
Savings and investments

While discretionary income levels help build the picture, we also found a correlation between the type of ISA held and existing levels of savings and/or investments.



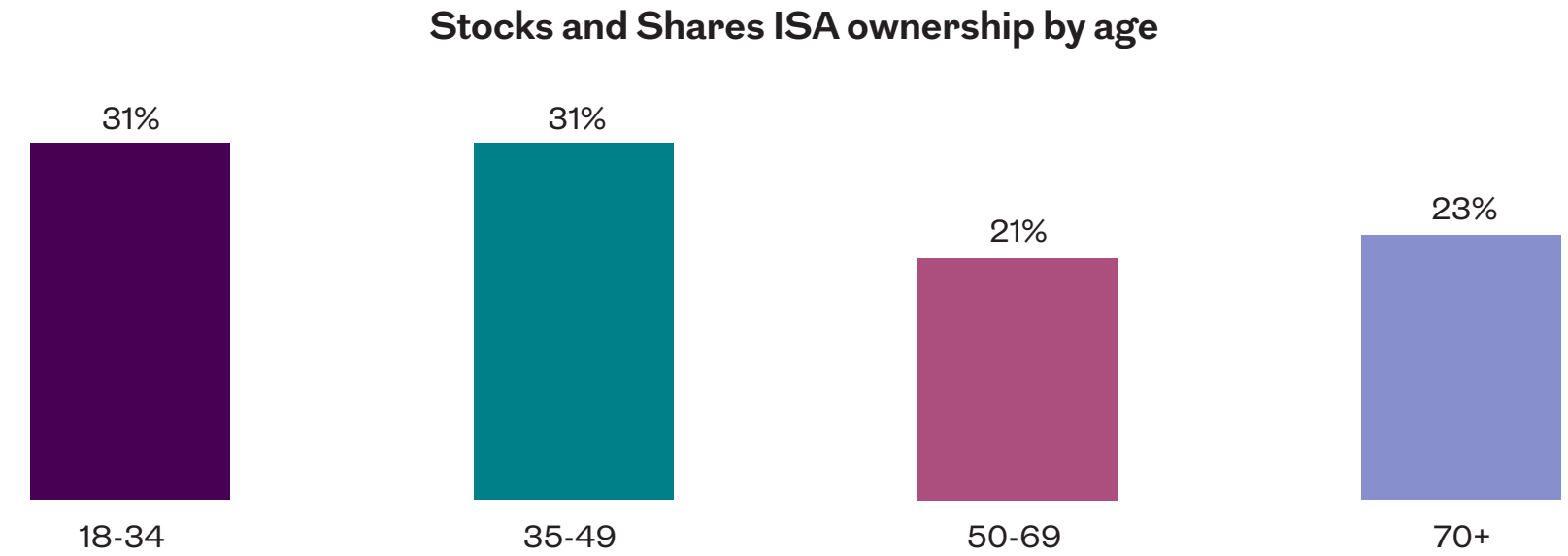
Gender pension and wealth gap

Our Financial Resilience research, carried out earlier this year, shows that women have significantly smaller pension pots than men (£39,000 on average, compared to £92,000 for men). They are also less likely to say they feel confident making an investment decision (31% of women feel confident compared to 51% of men)<sup>8</sup>. This aligns with our ISA research, which shows a lower uptake of Stocks and Shares ISAs by women.



Age of ISA holders

There was no difference in the uptake of Stocks and Shares ISAs among investors aged 18-49, but the percentage reduced from the age of 50. While our Financial Resilience research shows that the majority of people in their 50s are likely to still be working, a significant minority have retired or are working part-time. At this point, the importance of liquid cash savings is likely to increase.



Key findings

- Where an ISA is our respondents’ main savings product, we found that Stocks and Shares ISA holders have more saved than Cash ISA holders.
- People with higher incomes and greater savings or investments are more likely to have a Stocks and Shares ISA as their main savings or investment product. Stocks and Shares ISA holders also have higher monthly discretionary income.
- While men are more likely to have a Stocks and Shares ISA, there was little gender difference for Cash ISAs, but women are less likely to say it’s their main savings product (10% versus 17%).
- The same percentage of adults aged 18-49 hold a Stocks and Shares ISA, with take-up only dropping off after the age of 50.
- Only around one in six (16%) ISA holders make use of the full ISA allowance.

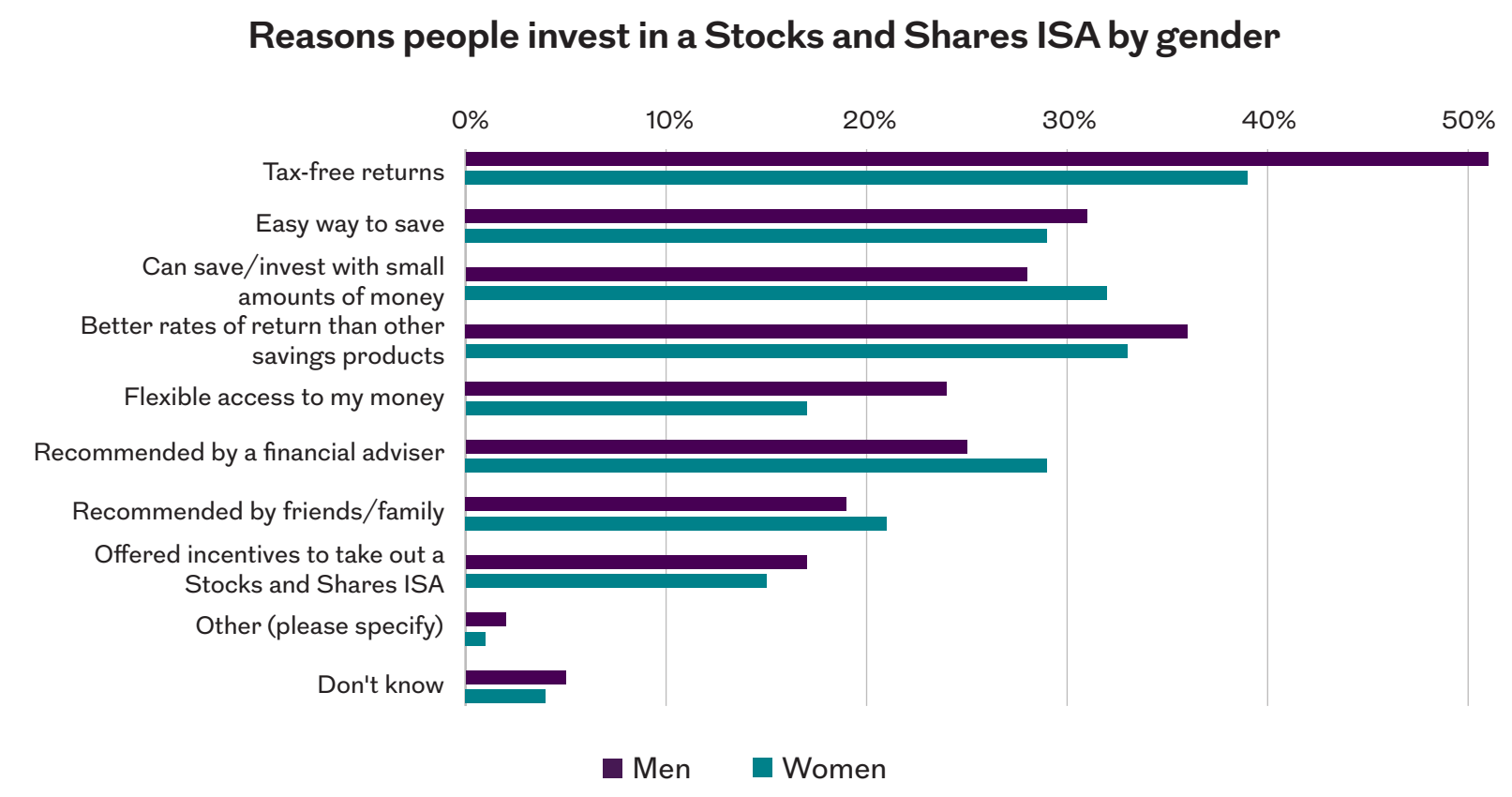
8 Financial Resilience Report 2025 – Royal London



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Why do people invest?

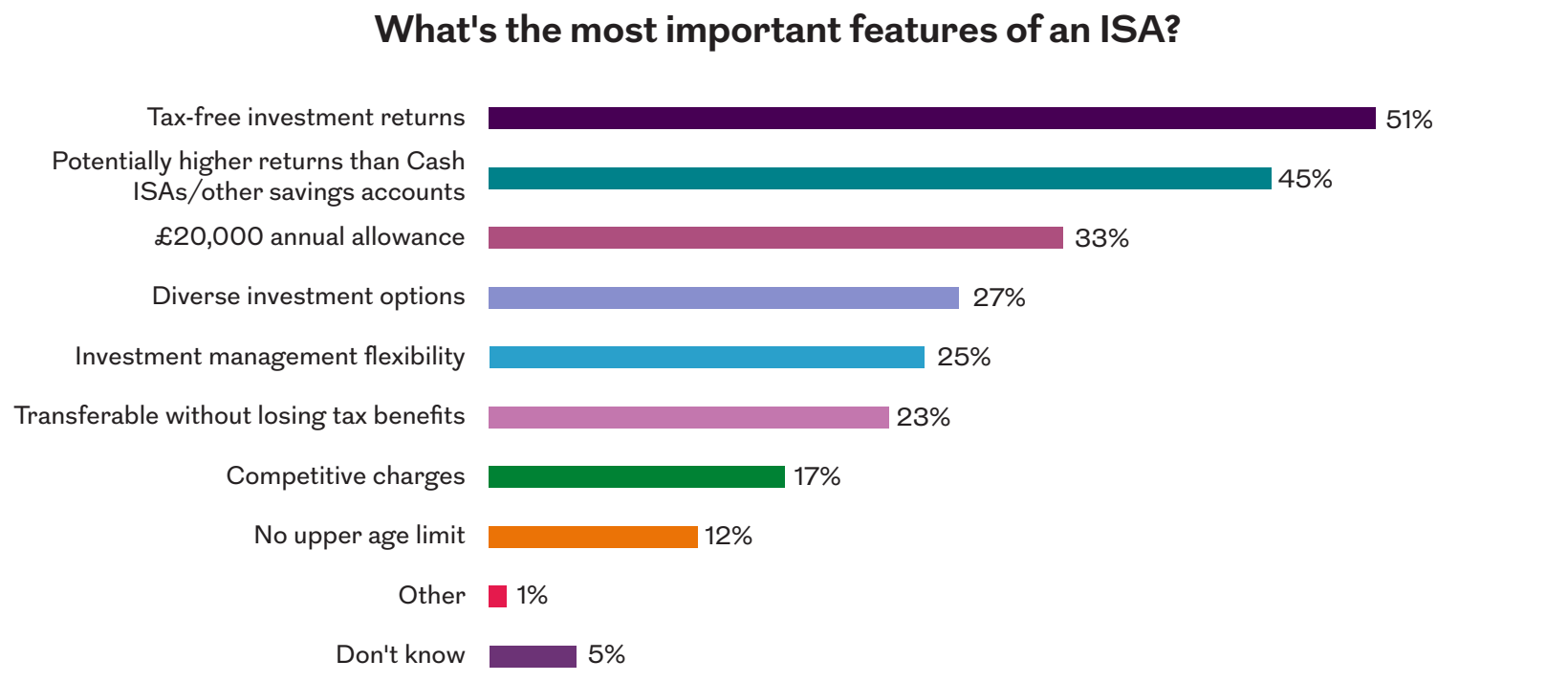
In addition to identifying who uses their ISA to save and who invests, we also wanted to explore what attracts people to a Stocks and Shares ISA. More than 1,000 of our sample (27% of the overall sample) have a Stocks and Shares ISA, with most people saying they were attracted by the tax-free returns (47%). The second most cited reason for having a Stocks and Shares ISA was the higher rate of return offered compared to other savings accounts (35%). Three in ten described their Stocks and Shares ISA as an easy way to save, while a similar number (29%) liked the fact that they could invest small amounts of money.



While both men and women cited similar reasons for investing in a Stocks and Shares ISA, more men were attracted by the idea of tax-free returns. Women were more likely to be prompted to invest in a Stocks and Shares ISA by a financial adviser.

What features of a Stocks and Shares ISA do people value most?

We asked our respondents what they considered the most important features of a Stocks and Shares ISA, to gain insight into their decision making.



Tax-free returns

More than half (51%) of our respondents with a Stocks and Shares ISA said the tax-free returns were their most important feature (53% of men and 47% of women). Interestingly, retirees were more likely to be attracted by the tax benefits (76%) than working individuals (45%).

The number of people who cited this reason dropped as income levels increased; 58% of people with a personal income of less than £20,000 versus just 40% of those with a personal income of £80,000 or more per year.

However, the percentage rose in line with increases in the level of savings and/or investments held. Just over a third (36%) of those with savings and/or investments between £1,000 and £9,999 said tax-free returns were important, compared to 58% of those with savings and/or investments worth £50,000 or more.



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## Potentially higher returns

Another strong motivator for investing in a Stocks and Shares ISA was the potential for higher returns over Cash ISAs, which was cited by over four in ten Stocks and Shares ISA holders. Interestingly, there was less of a gender difference here (47% of men and 43% of women). Older Stocks and Shares investors were more likely to be attracted to potentially higher returns than younger investors; 58% of 50-69-year-olds versus 37% of 18-34-year-olds.

The £20,000 annual allowance was another important feature, with a third (33%) citing this. One quarter of respondents with a Stocks and Shares ISA stated that investment flexibility was a valuable feature (the ability to self-manage or choose a managed portfolio).

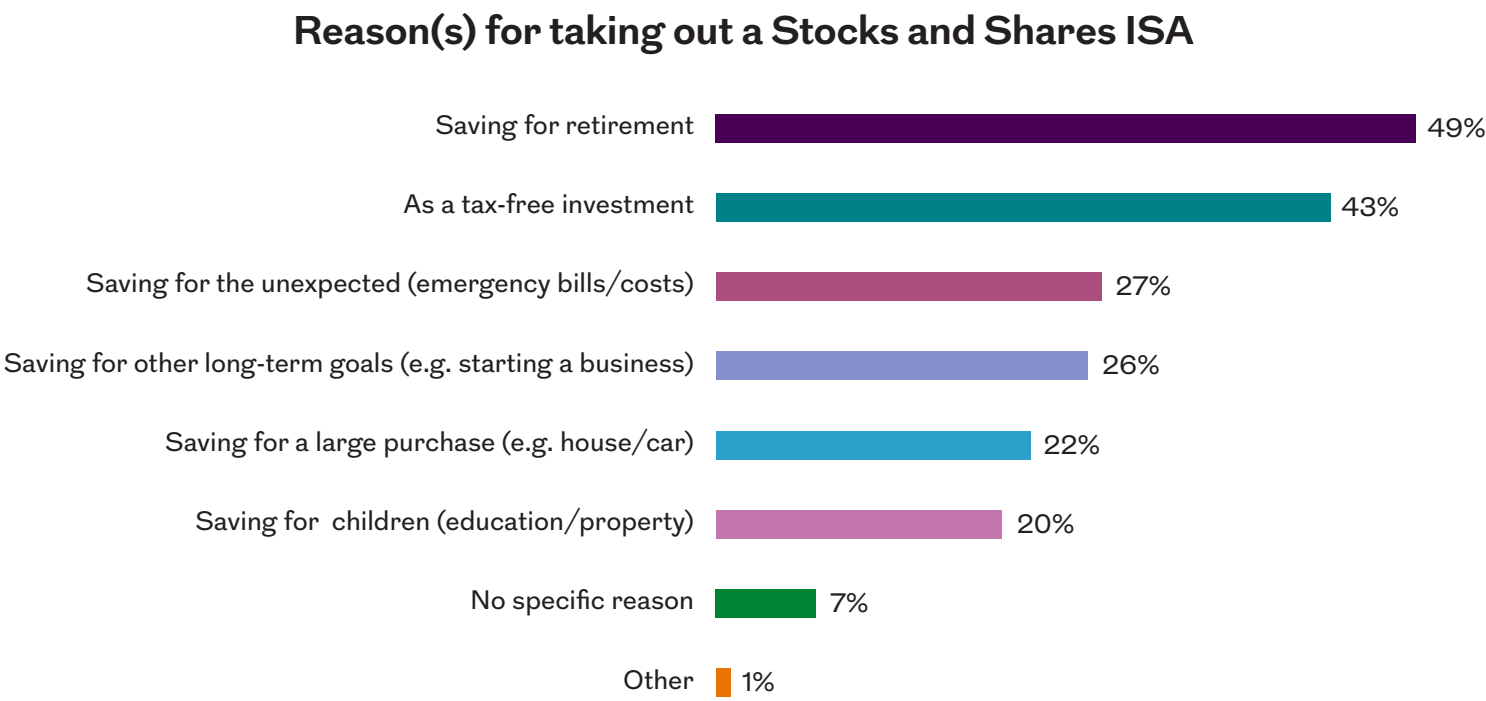
When pressed on choosing the most important feature of Stocks and Shares ISAs, tax-free investment returns topped the list with 28% of holders citing this. Higher returns (23%) took second place.

## Top three features of Stocks and Shares ISAs

- 1 Tax-free returns
- 2 Potential for higher returns than Cash ISAs or other savings accounts
- 3 £20,000 annual allowance

## Stocks and Shares ISAs and retirement planning

We asked those with a Stocks and Shares ISA what they wanted to use their ISA for and what, if anything, prompted them to take it out.



Almost half (49%) took out a Stocks and Shares ISA to save for their retirement, meaning they could generate tax-free income to supplement any pension savings they have.

We also found that Stocks and Shares ISA holders with more savings and investments cited retirement planning as their main reason. Almost six in ten (57%) with at least £50,000 in savings or investments gave this reason for having a Stocks and Shares ISA, versus one-third (34%) of those with between £1,000 and £9,999 saved or invested.

Furthermore, the longer someone has held a Stocks and Shares ISA, the more likely they are to use it to save for retirement. Almost four in ten (38%) of those holding their Stocks and Shares ISA for under a year use it for retirement savings, versus 55% of those who have held it for 5-10 years.

Surprisingly, over one in four Stocks and Shares ISA holders (27%) are using theirs to save for an emergency or unexpected bills. These investors may have enough saved in an easy-access account or Cash ISA to cover immediate emergencies. However, if not, they risk the possibility of being forced to take money out of their Stocks and Shares ISA when investors would normally avoid this course of action (namely, after the stock market has dipped).



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- A photograph of two women sitting and talking. The woman on the left is seen in profile, wearing a light blue and white striped shirt. The woman on the right is facing her, smiling, with curly brown hair and wearing a peach-colored top. They are in a bright, modern interior with a white shelf and a patterned artwork in the background.
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# Consumers' understanding of ISAs and attitude to risk

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In this section, we explore how well people understand ISAs, especially their tax benefits, and examine our respondents' attitudes towards investment risk.

## Key insights

- We found that many UK adults and a significant minority of Stocks and Shares ISA holders are unclear on ISAs' tax efficiency, which is concerning.
- More women than men with Stocks and Shares ISAs said they either didn't understand ISAs or had little knowledge, while more younger than older holders reported having a lot of ISA knowledge.
- We also identified a clear opportunity to help consumers better understand both investment risk and the inflation risk of leaving their savings in cash over the long term.

Although Cash and Stocks and Shares ISAs have been available for over a quarter of a century, and three in five UK adults have at least one, it's a mixed picture when it comes to consumers' understanding of them.

A major issue is the widespread confusion about the tax benefits of ISAs. Our research shows that people appear to understand the tax benefits of Cash ISAs more than the tax benefits of Stocks and Shares ISAs, which may be holding back some people, even those with significant savings, from investing.

However, while Cash ISAs are a more familiar and widely used product, some people are still unsure about their tax efficiency.

## Understanding of the tax benefits of Cash ISAs

While most people (58%) know that tax isn't payable on the interest earned on a Cash ISA, over four in ten adults are unsure. Approximately one in eight (13%) didn't think that interest on a Cash ISA is tax free and almost three in ten (29%) didn't know. One in four Cash ISA holders (25%) either believe they pay tax on interest (11%) or don't know (14%).

One of the benefits of an ISA is that there's no tax to pay on money withdrawn or when the ISA is cashed in. However, fewer than half (46%) of our sample knew this. Almost one in five (19%) thought withdrawals were taxable and over a third (35%) didn't know. This means that over half our respondents were unclear about the Cash ISA tax rules on withdrawals.

On all these points, Cash ISA holders were more knowledgeable than the wider sample.





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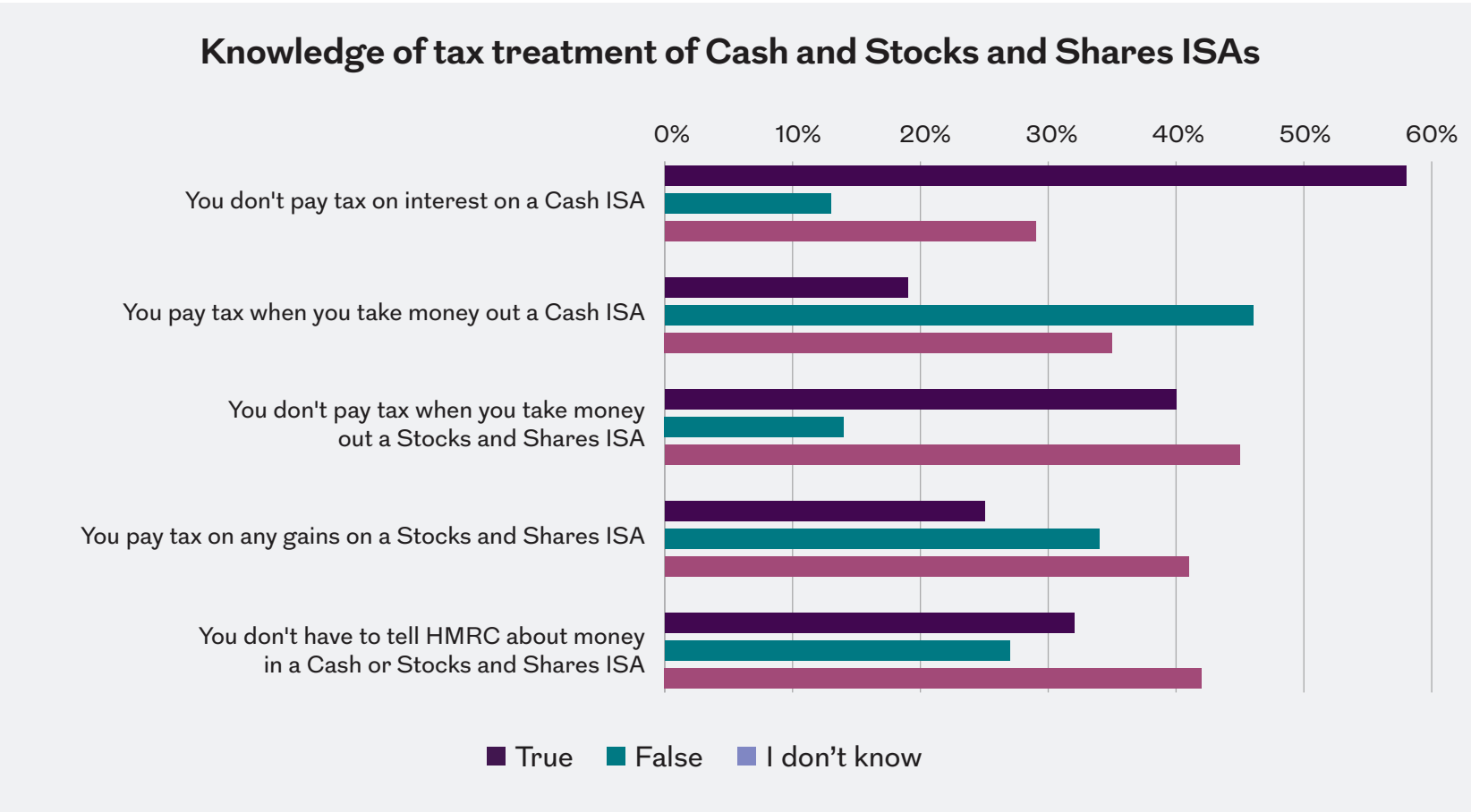
## Understanding of the tax benefits of Stocks and Shares ISAs

While Stocks and Shares ISAs enjoy the same tax benefits as Cash ISAs, we expected fewer people to be confident about their tax treatment as fewer people have them. However, the difference in knowledge was more significant than we anticipated.

Only four in ten (40%) of our respondents thought the statement ‘*you do not pay tax when you take money out of a Stocks and Shares ISA*’ was true and almost half didn’t know. Overall, however, fewer than one in seven thought tax was payable on withdrawals from a Stocks and Shares ISA (14%).

Among Stocks and Shares ISA holders, overall understanding of the tax benefits around ISA withdrawals was fairly high, with 72% agreeing that ‘*you do not pay tax when you take money out of a Stocks and Shares ISA*’.

However, 13% disagreed with the statement and 14% didn’t know, meaning that over one in four (27%) Stocks and Shares ISA holders are confused about the tax treatment of their ISAs.



## Tax-free profits?

There was a lower level of understanding of how gains on a Stocks and Shares ISA are treated, with fewer respondents stating that they knew gains are tax free.

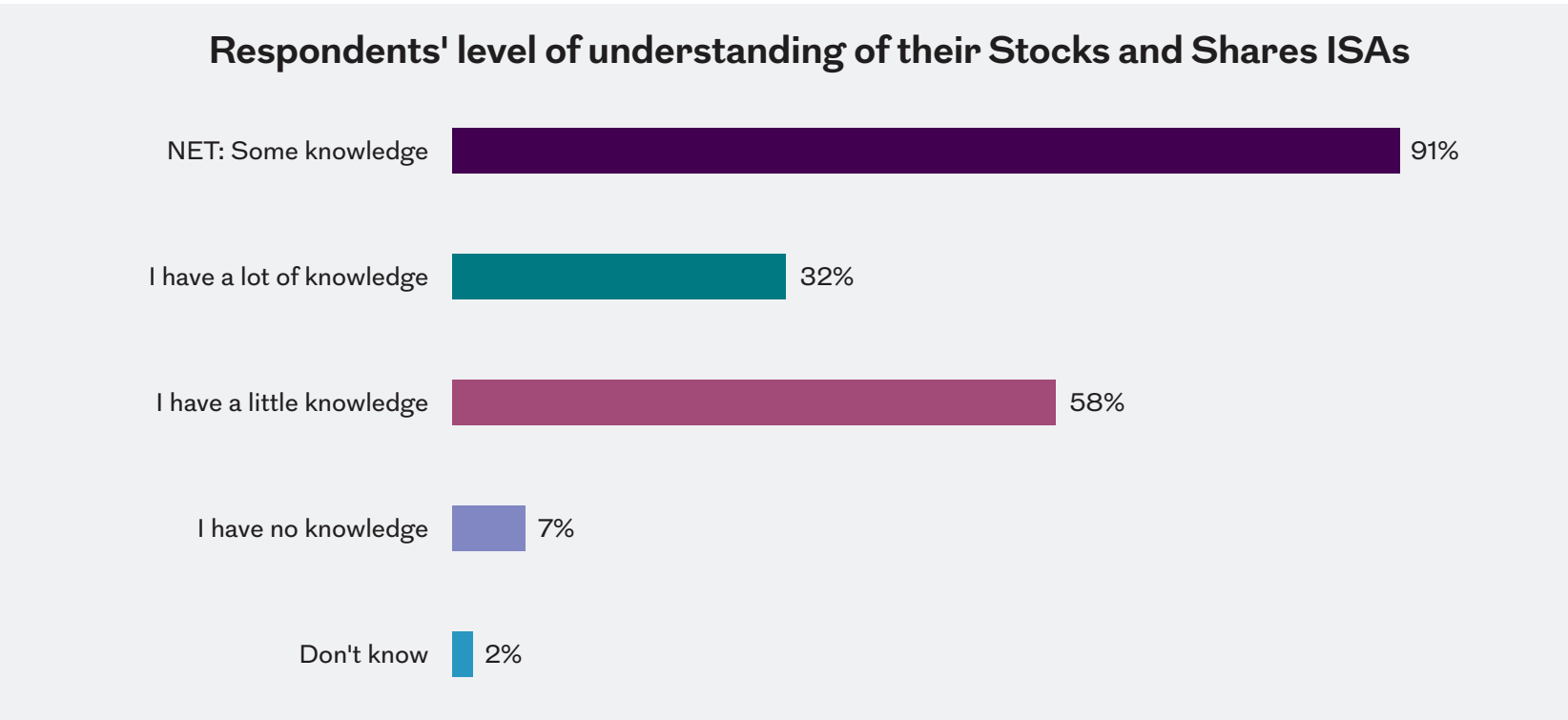
Only a third (34%) correctly thought that the statement ‘*you pay tax on any gains you make on a Stocks and Shares ISA*’ was false. One in four (25%) thought that tax was payable on Stocks and Shares ISA gains, while four in ten (41%) didn’t know.

Among those with a Stocks and Shares ISA, six in ten (60%) knew that ISA gains are tax free, while one in ten (11%) didn’t know. However, this still left approximately three in ten (29%) people wrongly believing that tax needs to be paid on any gains.

It’s concerning that a substantial minority of people with ISAs don’t understand their tax benefits, particularly those with Stocks and Shares ISAs.

## Stocks and Shares ISA holders’ knowledge

As well as asking questions about the tax treatment of ISAs, we questioned our Stocks and Shares ISA holders on how they rate their own knowledge of the product.





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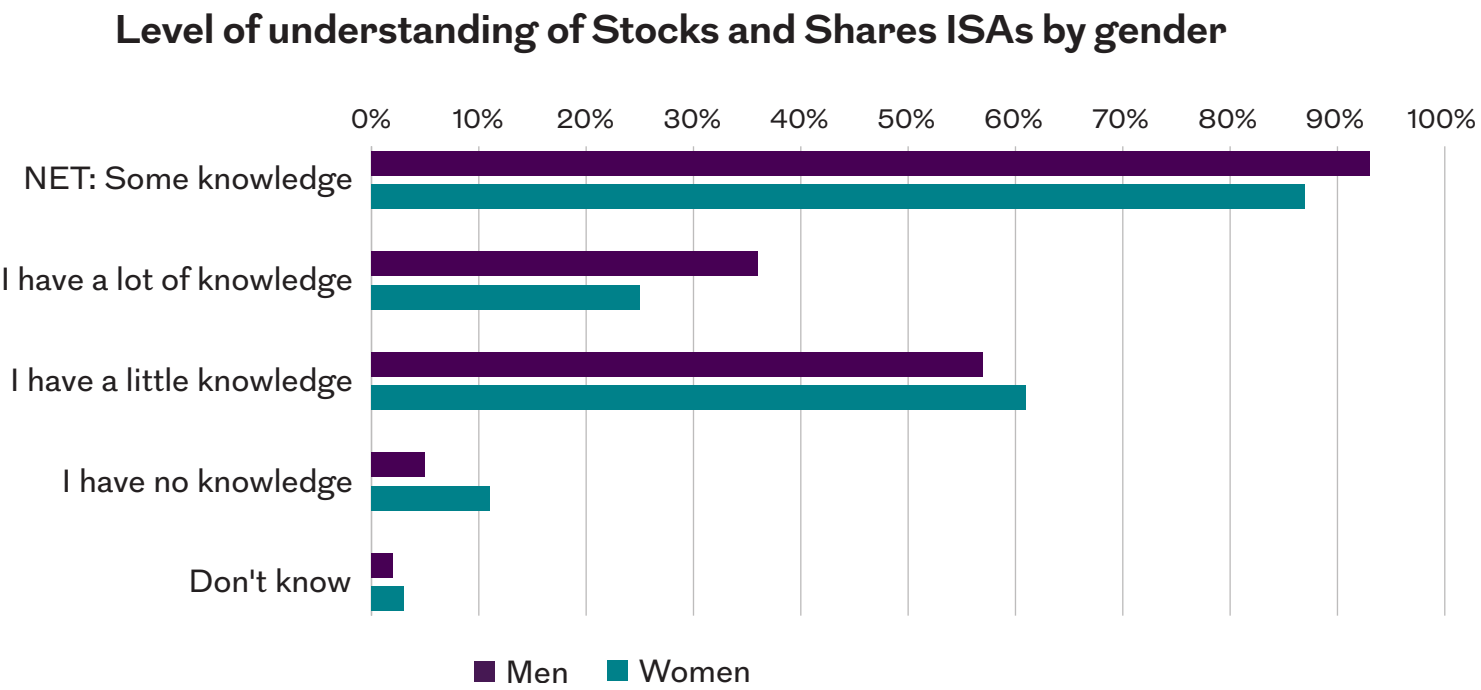
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Encouragingly, nine in ten Stocks and Shares ISA holders said they have some knowledge, with almost one-third (32%) saying they have a lot of knowledge. However, concerningly, one in 14 (7%) Stocks and Shares ISA holders said they have no knowledge of how these ISAs work.

Gender differences

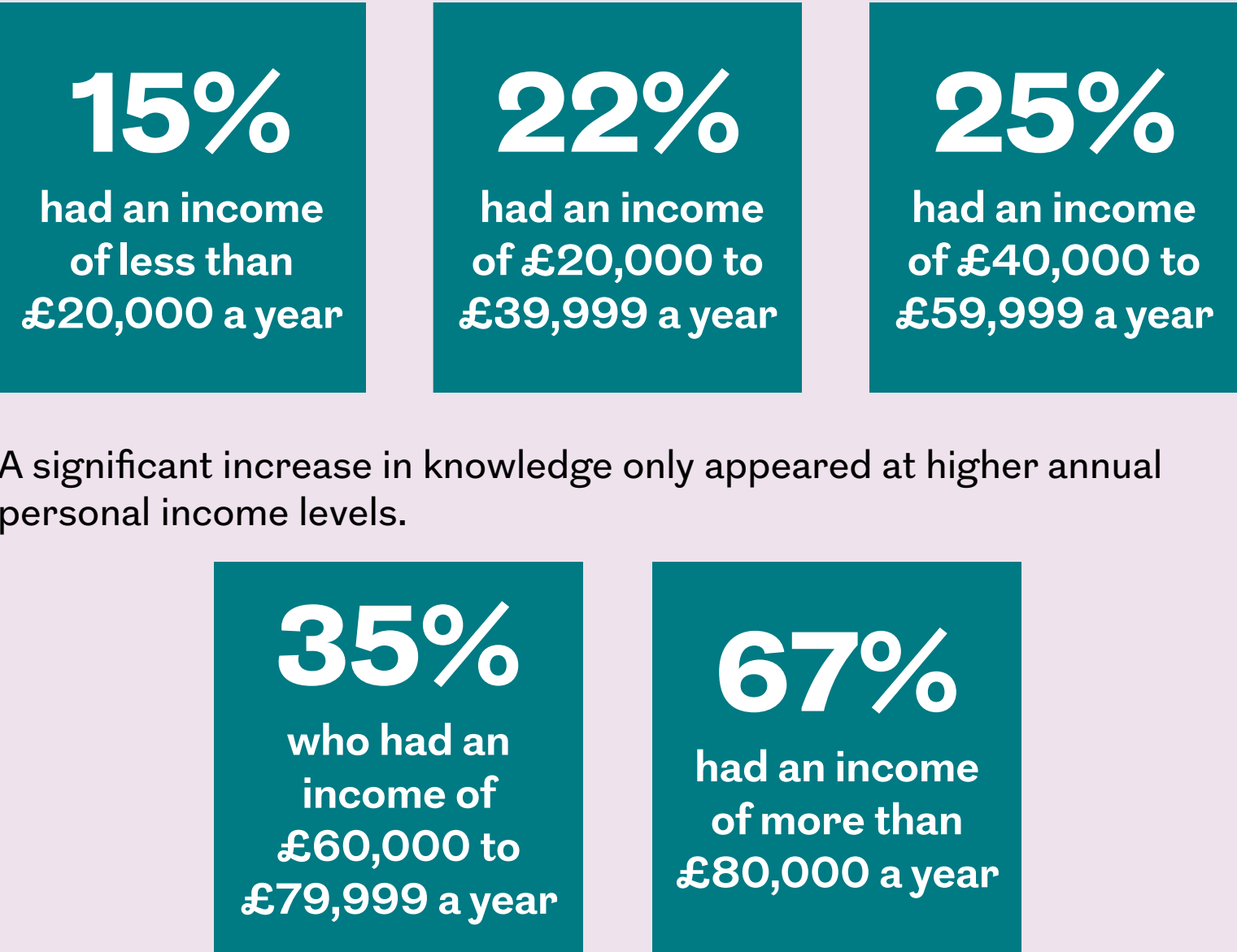
Our Financial Resilience research shows that women are more likely than men to describe themselves as less financially confident. This research shows a similar trend, with women who have a Stocks and Shares ISA more likely than male investors to say they do not understand ISAs. Over twice as many women as men with Stocks and Shares ISAs said they have no knowledge (11% versus 5%).



Interestingly, younger Stocks and Shares ISA investors are more likely than older ones to say they have a lot of knowledge; 42% of 18-34-year-olds compared to 24% of those aged 50-69.

Influence of income

Of those who said they had a lot of knowledge



A significant increase in knowledge only appeared at higher annual personal income levels.

Impact of advice

People who used an adviser to open a Stocks and Shares ISA were no more likely than the whole sample to say they have a lot of knowledge (32% in both cases), or a little knowledge (60% versus 58%). This suggests that while advice may encourage people to open a Stocks and Shares ISA, it doesn't appear to be significantly enhancing investors' perception of their knowledge.

This could be an opportunity for advisers to review how they communicate the benefits of a Stocks and Shares ISA to ensure clients are fully aware.



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However, those who’d used an adviser to transfer their Stocks and Shares ISA were more likely to say they were knowledgeable than those who had not. Over half (52%) described themselves as very knowledgeable, while almost half (47%) said they have a little knowledge. No one who had used an adviser to transfer their Stocks and Shares ISA described themselves as having no knowledge of Stocks and Shares ISAs.

### ISAs and risk

Cash ISAs, like any savings account, aren’t risk-free. Yet many Cash ISA holders may not have considered inflation as a threat to their savings, perhaps because inflation risk is less visible than any volatility in the stock market and/or because Cash ISA interest rates have been higher in recent years.

In addition, people often fear losing money more than they value the opportunity to grow their savings, and many feel more in control of their finances when holding cash rather than stocks and shares, which may seem less tangible.

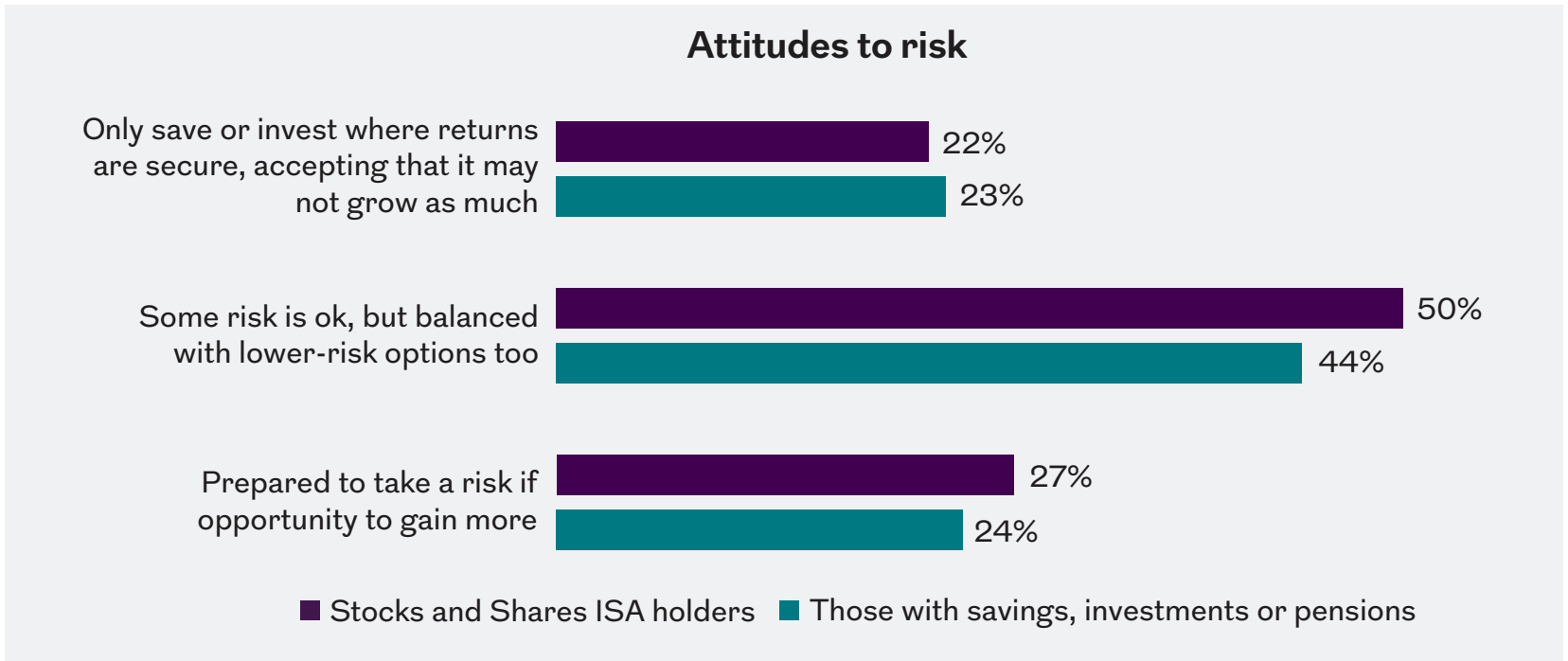
As a result of these beliefs, Cash ISA holders may be underestimating the long-term risk of their money losing value and overlooking the inflation protection and growth potential that investing can offer.

#### Attitudes to risk

When it comes to investing, risk is very subjective. One person’s cautious approach may seem more adventurous to someone else. As part of our research, we wanted to examine people’s attitude to investment risk in more detail. While someone may not want to take more risk than necessary with their emergency cash savings, they may feel differently about money they can leave invested for longer periods, such as five or ten years or more.

When we asked people about how much investment risk they were comfortable taking with Stocks and Shares ISAs or other investments, over four in ten (44%) said that they believe that some risk is okay, but that they would want to balance that with some lower-risk options. Almost one in four (24%) said they were prepared to take a risk if there was an opportunity to gain more. However, almost the same percentage (23%) say they would only save or invest where returns were secure.

Stocks and Shares ISA holders were slightly more willing to take on some risk. However, 22% said they only save or invest in products that have secure returns, which could mean that one in five Stocks and Shares ISA investors are taking more risk than they are comfortable with.





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# Barriers to investing

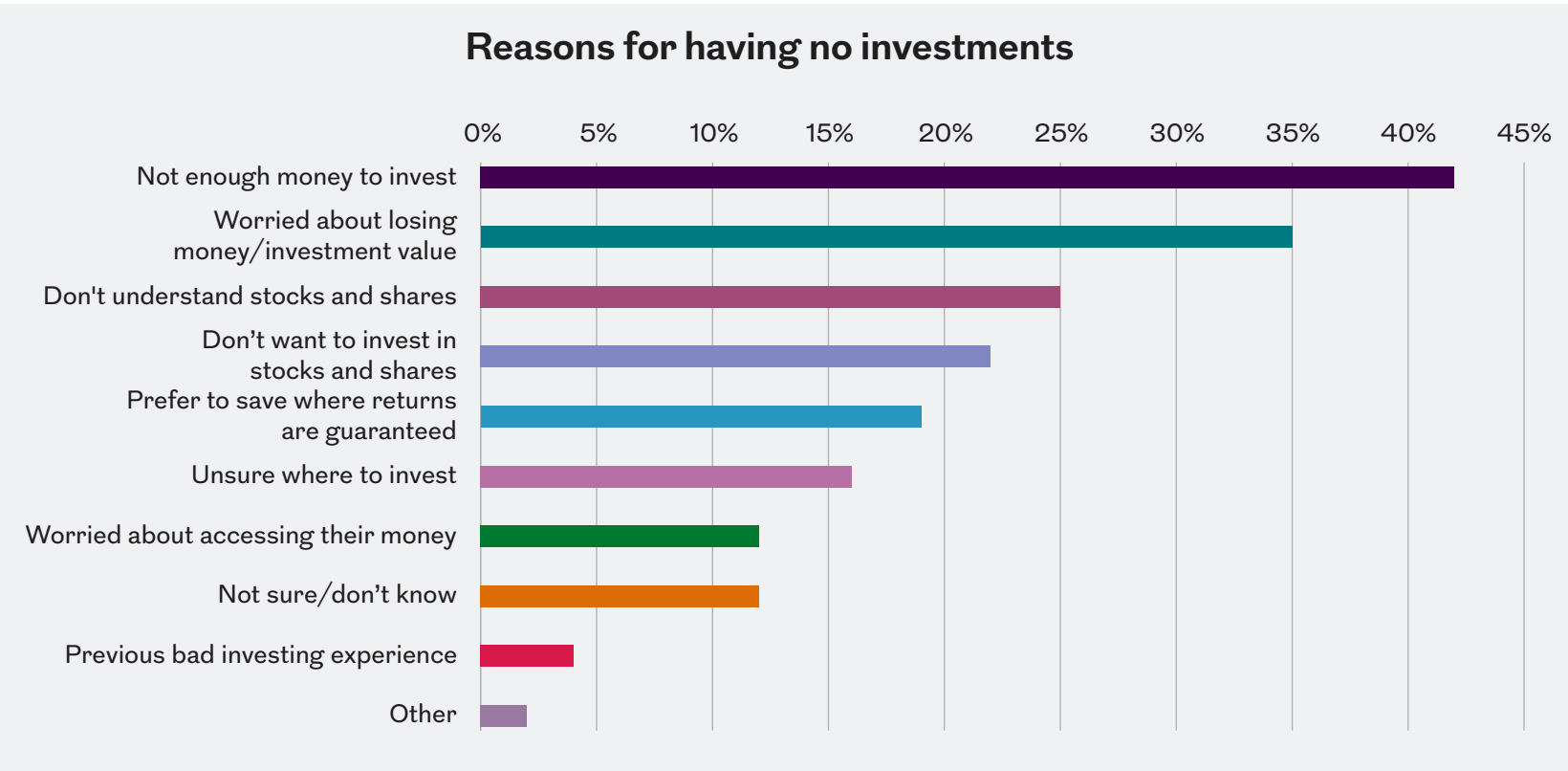
Here, we identify some of the barriers holding people back from investing in a Stocks and Shares ISA and ask whether Cash ISA holders might be receptive to investing some of their savings.

## Key insights

- A lack of understanding proved to be one of the main barriers to investing.
- This creates an opportunity for the financial services industry to help consumers understand what investing in a Stocks and Shares ISA involves.

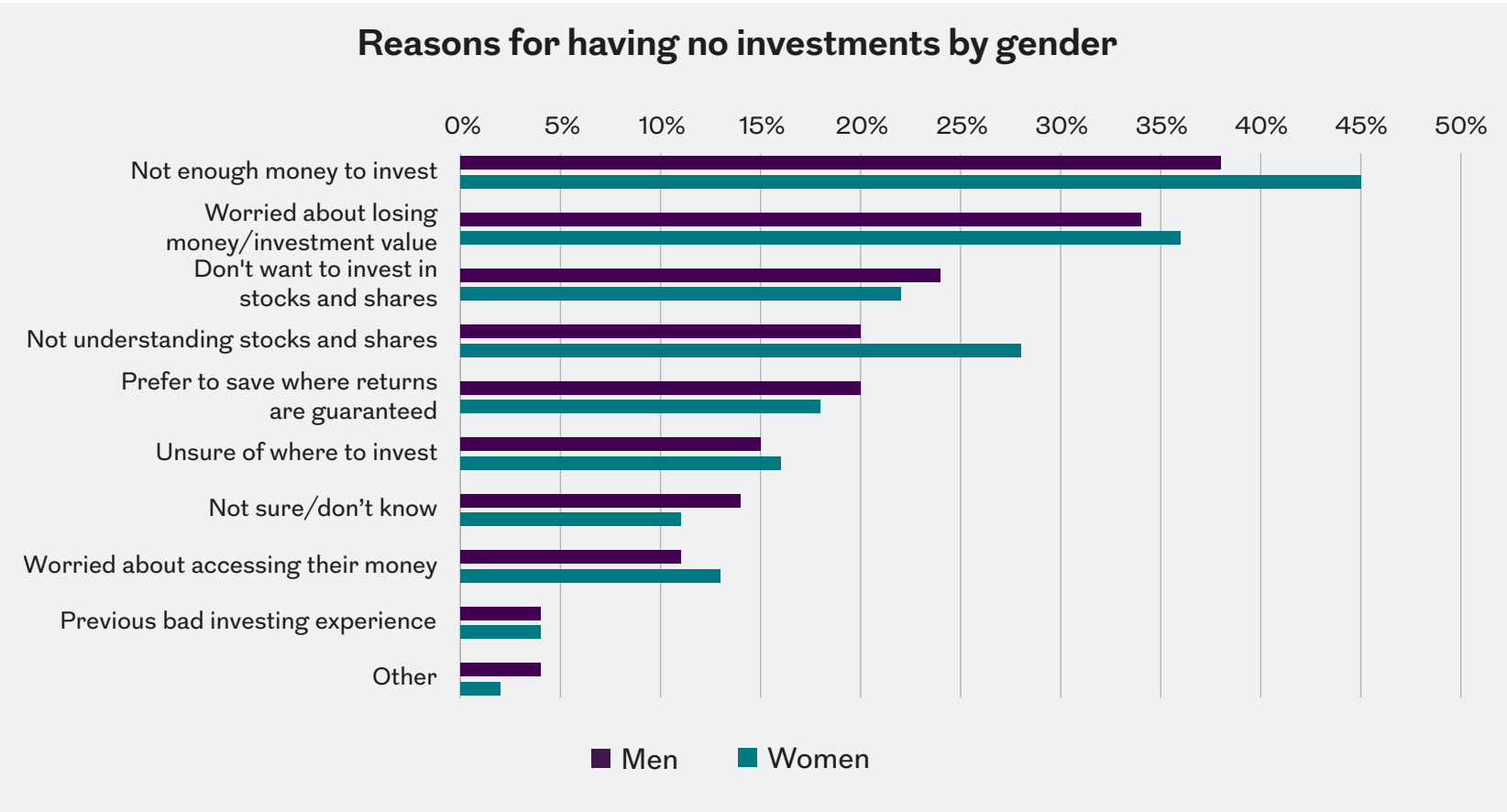
## What’s stopping people from investing?

Over the years, research has revealed a number of reasons why people don’t invest (aside from any pension they may have). While technology has helped remove some barriers to financial management and investing, many people, for whatever reason, do not hold investments. Over half of our sample don’t have any investments, and there were a number of reasons for this.



## Gender divide

Once again, there was a gender divide when it came to barriers to investing. Of our respondents with no investments, significantly more women than men said they didn’t have enough money to invest or that they didn’t understand stocks and shares. However, women were only slightly more worried about losing money than men.



## How can savers be persuaded to invest?

Both the UK government and the Financial Conduct Authority (FCA) are looking at ways to encourage people to invest in stocks and shares, rather than holding their money in cash savings. The government’s motivation is, in part, to support its growth agenda. Still, the focus on encouraging investing aligns with the FCA’s strategy, launched in 2021, aimed at giving consumers the confidence to invest<sup>9</sup>. It estimates that approximately 8.6 million people have at least £10,000 in investible assets but are currently keeping this in cash.

The Chancellor’s Mansion House speech<sup>10</sup> in July reinforced the idea that education could help encourage consumers currently holding their money in cash to invest. Against this backdrop, we wanted to explore what’s preventing Cash ISA holders from investing in a Stocks and Shares ISA.

To help our respondents focus more on their attitude to risk rather than affordability, we framed our question around transferring a Cash ISA to a Stocks and Shares version rather than finding new money to invest.

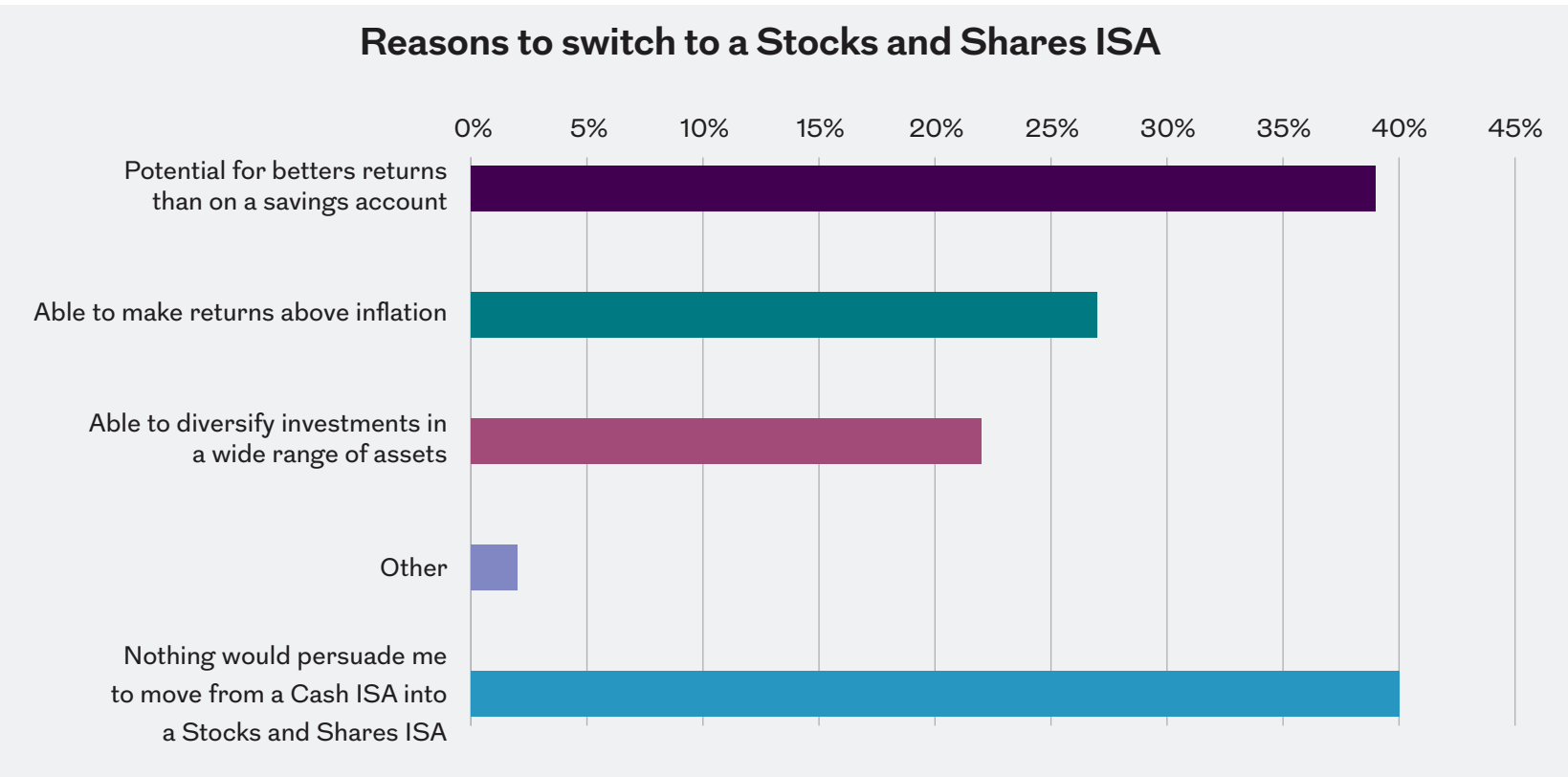
<sup>9</sup> [FCA sets out plan to tackle investment harm | FCA](#)  
<sup>10</sup> [Rachel Reeves Mansion House 2025 speech – GOV.UK](#)



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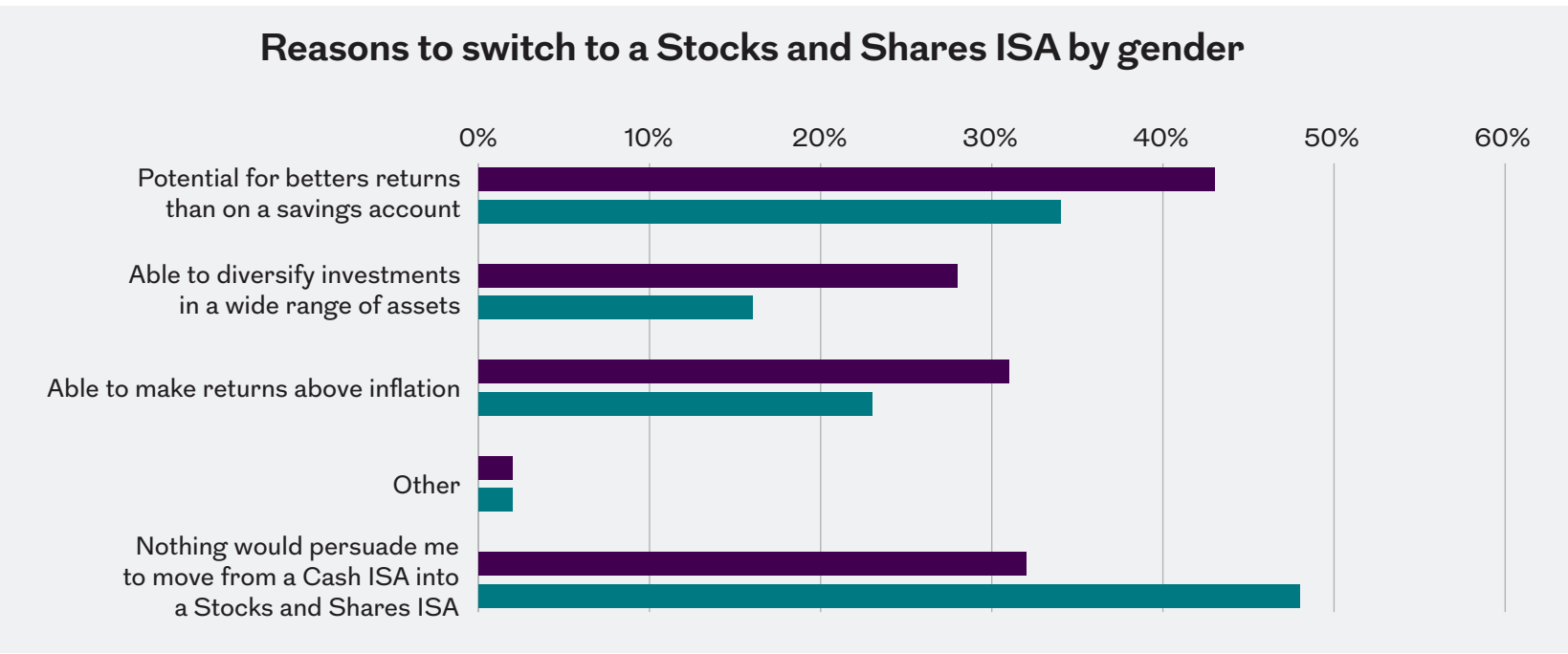
Reasons to reconsider

Of the 2,061 Cash ISA holders in our sample, the majority said they could be persuaded to invest, citing a range of reasons. However, four in ten (40%) said nothing would persuade them to move some of their Cash ISA to a Stocks and Shares version.



Gender influence

Women were, again, more cautious and less likely than men to be persuaded to transfer some of their Cash ISA to a Stocks and Shares ISA. Almost half of women (48%) said that nothing would persuade them to do so, compared to a third of men (32%).



11 [Financial Resilience Report 2025 – Royal London](#)

Of those who could be persuaded, women were less likely than men to be motivated to switch by the potential for better returns. They were also less likely to be swayed by the opportunity to diversify their investments or to make returns above inflation (23% versus 31%).

How income affects perception of barriers

People on a higher income were more likely to be open to the idea of transferring their Cash ISA to a Stocks and Shares ISA, with only 7% of those earning £80,000 and above saying that nothing would persuade them and over one in four (28%) of those earning £40,000-£59,999 saying this. Meanwhile, those on a higher income were more likely to be motivated by the ability to diversify their investments (68% of those earning £80,000 a year or more cited this reason, as did 28% of those earning £40,000-£59,999). The ability to generate a better return than with a savings account was also a significant draw for 67% of those earning £80,000+ annually.

Influence of age on willingness to invest

Younger adults were more willing to consider investing in a Stocks and Shares ISA, with only 21% of 18-34-year-olds saying they could not be persuaded to invest, compared to approximately half (48%) of those aged 50-69. Once again, having the potential to get a better return than that offered by savings accounts was a big driver across all age groups, with 50% of those aged 18-34 citing this compared to 34% of adults aged 50-69.

Education opportunity

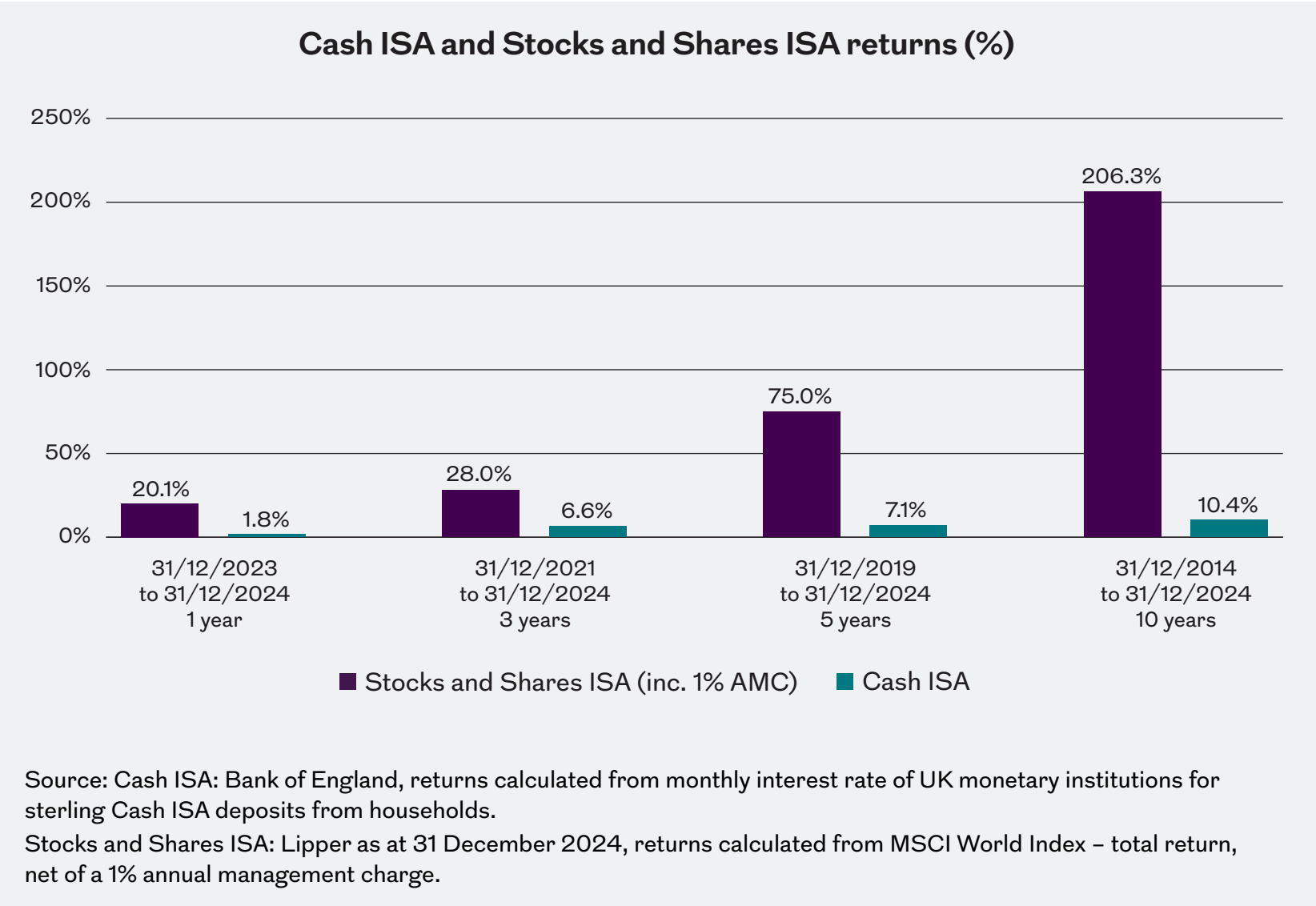
We know that investing isn’t right for everyone. For example, some people may not be able to leave their money invested for the minimum suggested five years, or they may not have any money to spare (our Financial Resilience Report shows that one in five adults has less than £100 in savings<sup>11</sup>).

However, while some Cash ISA holders in our sample have low balances, others do not. It’s possible that some of the four in ten Cash ISA holders who say that nothing would persuade them to move some of their cash into a Stocks and Shares ISA may be missing out on the potential benefits of investing, in part at least, down to a lack of understanding or financial knowledge.

Investing returns are never guaranteed but, over the longer term, investing has the potential to generate a greater return. The charts below show returns over a one, three, five and ten-year period, using Bank of England Cash ISA deposit interest data compared the MSCI World Index (total return net of a 1% annual management charge).



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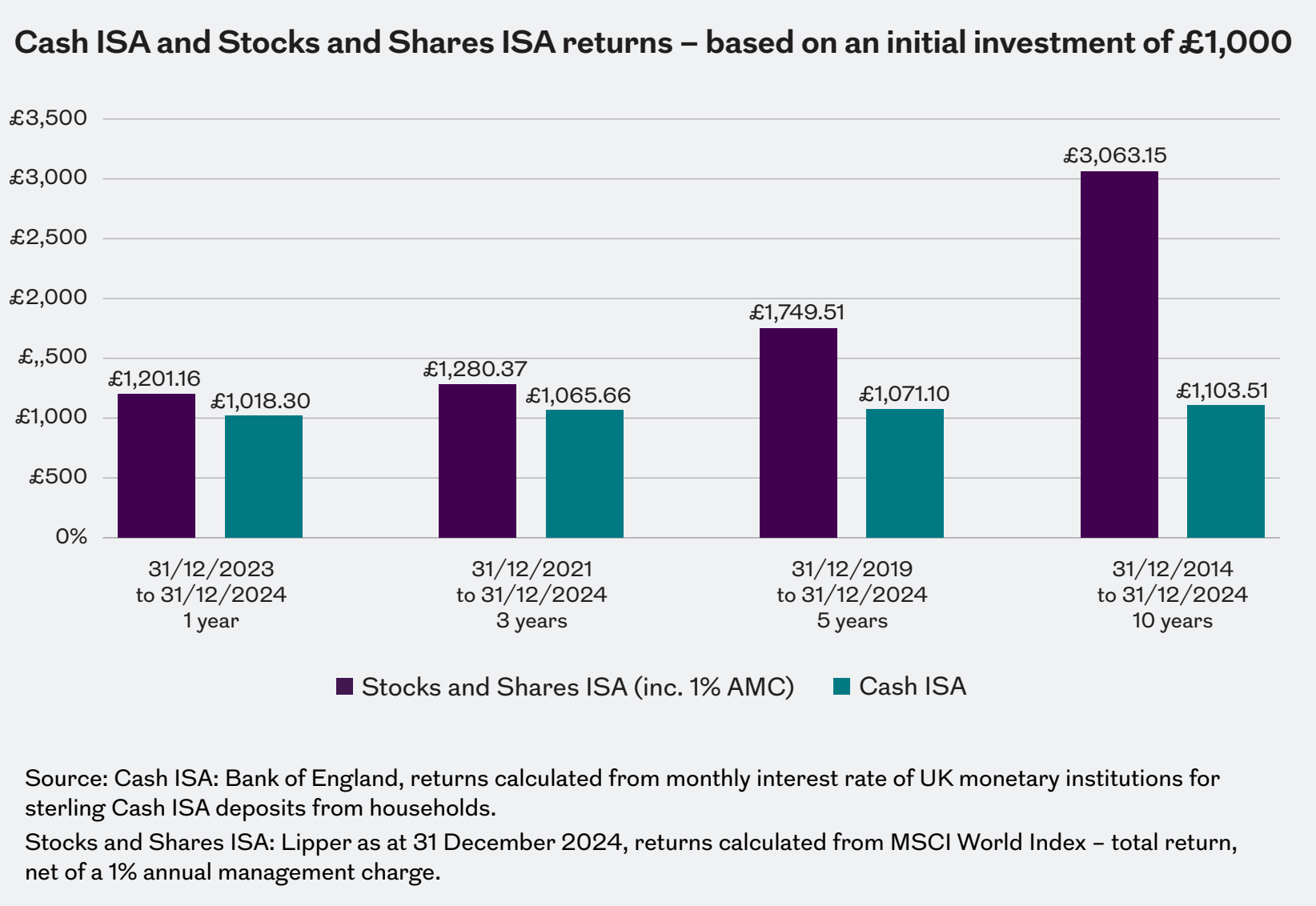


There is a clear opportunity for the financial services industry to do more to explain how Stocks and Shares ISAs work and the benefits they provide. By improving customer understanding and combining it with actionable help, firms can give people the confidence to take meaningful steps towards investing.

The Advice Guidance Boundary Review presents financial providers with an unmissable opportunity to help people make better decisions, giving them the direction and confidence to take that crucial first step into investing.

Research we carried out earlier in 2025 shows that only 40% of adults feel confident making a decision about investing. When we asked consumers whether they thought the following statement was true or untrue, *‘Buying a single company’s stock usually provides a safer return than a diversified investment fund (an investment fund that buys shares in a range of different companies)’*, half (49%) correctly knew this was untrue, but almost the same percentage (48%) didn’t know (while 3% thought it was true).

12 [The Advice Gap 2025 – the lang cat](#)



These findings highlight the urgent need to support consumers in understanding what investing really involves. Encouragingly, the FCA’s plans for targeted support, as outlined in summer 2025, represent a major step forward to unlocking actionable help. At present, much of the effort to build confidence is undermined by the absence of clear, actionable next steps. Targeted support addresses this directly, empowering customers to act on personalised recommendations based on people in similar circumstances. Crucially, the fact that this support will be provided free of charge removes an additional behavioural barrier.

While full financial advice can deliver significant value to consumers, most people still don’t seek it for a range of reasons, such as the perception that it is too expensive or because they don’t know how to find an adviser<sup>12</sup>. Yet, whether or not someone chooses to invest, it is essential that they can make informed decisions and understand the potential outcomes. In this context, the measures proposed by the UK government and FCA could be genuinely transformative.



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# ISA transfer behaviour

This section explores consumers' awareness of ISA transfers, how they work and people's reasons for transferring.

## Key insights

- We found a mixed level of understanding around ISA transfer rules, as well as a range of reasons why savers and investors had transferred.
- Financial advisers also play a pivotal role in the ISA transfer market.

ISA transfers remain a relatively misunderstood area. Since their introduction, ISA holders have been able to transfer to a new provider, whether to get a better return or for convenience.

However, while the process of transferring is straightforward in theory, many consumers are unfamiliar with how it works in practice and what they can and can't do with their ISAs.

## Transfer knowledge

Our research showed that the majority (56%) of respondents knew that they could transfer a Cash or Stocks and Shares ISA between providers. Specifically, they knew that they could transfer a Cash ISA from one bank or building society to another, or a Stocks and Shares ISA from one investment provider to another. Only 6% believed that it was not possible to transfer ISAs, but the rest did not know. Women were less likely to know the answer (51% compared to 61% of men) or say they didn't know (44% compared to 31% of men).

Overall, ISA holders were more aware that they could transfer to another provider than the sample as a whole and Stocks and Shares ISA holders were the most aware. Over eight in ten (81%) Stocks and Shares ISA holders knew they could transfer between providers, compared to seven in ten (71%) Cash ISA holders.

Having an adviser also made a significant difference to people's transfer knowledge and understanding. Over eight in ten (84%) Stocks and Shares ISA holders who used a financial adviser to open or transfer their ISA knew they could transfer, compared to 54% of those who didn't use an adviser.

## Understanding transfer rules between different ISA types

While the majority of UK adults knew that, in principle, it was possible to transfer from one ISA provider to another, fewer than half (40%) knew that you can transfer from a Cash to a Stocks and Shares ISA and vice versa.

Again, Stocks and Shares ISA holders were more likely to know this than Cash ISA holders (63% versus 52%). The influence of an adviser on helping clients understand the rules and opportunities for transferring was also evident. Almost seven in ten (69%) of those who'd used an adviser to take out a Stocks and Shares ISA knew they could transfer between ISA types. This compares to fewer than four in ten (37%) who had not used an adviser.



Fewer than half (**40%**) of our respondents knew that you can transfer from a **Cash** to a **Stocks and Shares ISA** and vice versa.



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Those who said they knew a lot about ISAs were aware that ISAs can be transferred from Cash to Stocks and Shares and vice versa. The table below shows people’s answers to whether the statement, ‘*you can transfer money from your Cash ISA to a Stocks and Shares ISA and vice versa*’ was true or false, based on their level of ISA knowledge.

Level of ISA knowledge

	NET: Some knowledge	I have a lot of knowledge	I have a little knowledge	I have no knowledge
True	66%	84%	55%	44%
False	10%	8%	11%	18%
Don’t know	24%	8%	33%	38%

Awareness also increased in line with rising personal incomes, as shown in the table below.

Personal income levels

	Under £20k	£20,000 - £39,999	£40,000 - £59,999	£60,000 - £79,999	£80,000 - £100,000	Over £100,000
True	28%	43%	47%	51%	82%	77%
False	7%	9%	12%	15%	8%	11%
Don’t know	65%	49%	41%	34%	10%	12%





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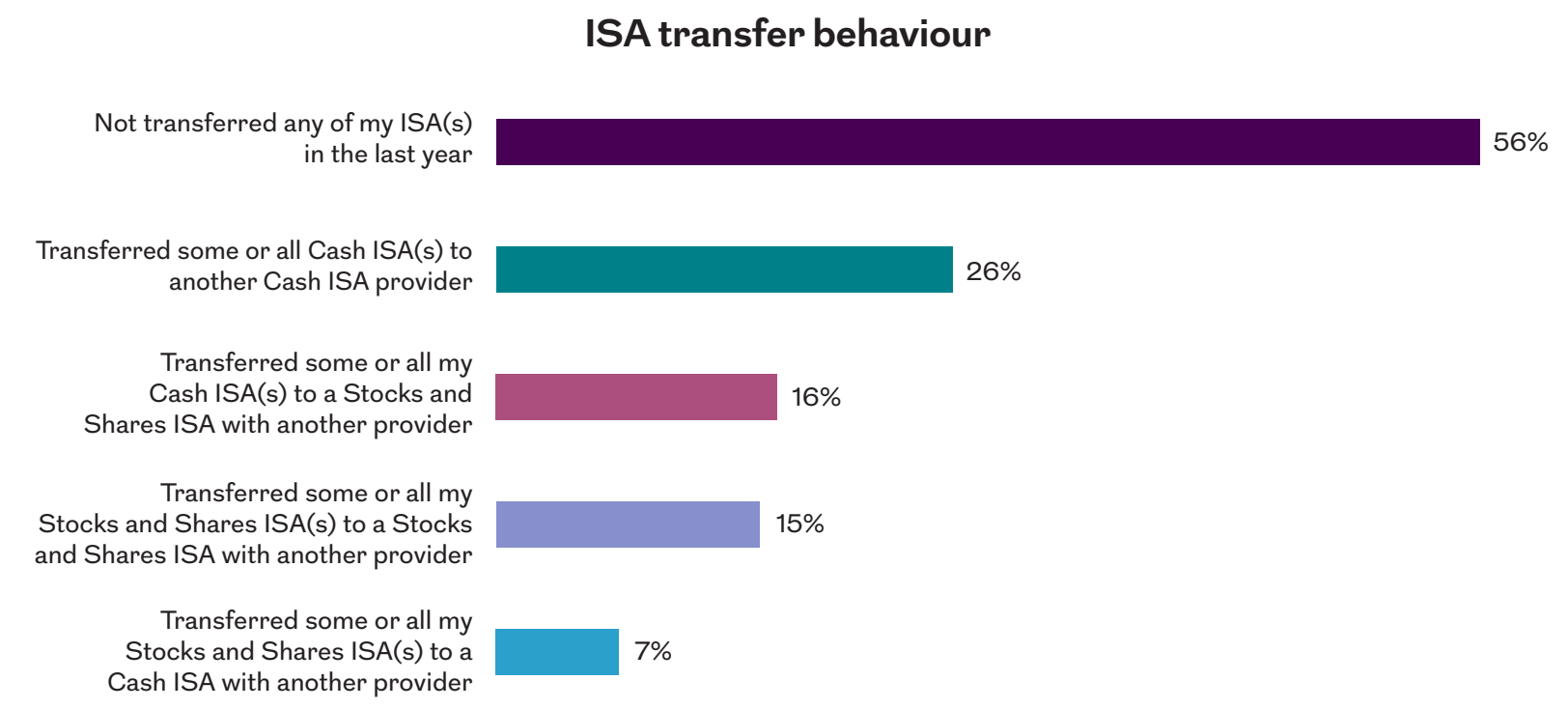
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## Transfer behaviour

While a reasonably high number of respondents knew about ISA transfers, that knowledge didn’t always translate into action. In fact, most of our ISA holders had never transferred their ISA in the last year, while the most common action of those who had ever transferred was to move some or all their money from one Cash ISA to another.



People with £50,000 or more in savings and/or investments were more likely to have transferred some of all of their Stocks and Shares ISA to another Stocks and Shares ISA provider; 24% versus 15% of the overall sample.

### Multiple providers mean multiple transfers

We found a strong correlation between the number of ISA providers people have and their likelihood of having transferred some all or of their Stocks and Shares ISA to another provider. Over four in ten (41%) of all ISA holders with four or more ISA providers had transferred, compared to 7% of those with just one provider.

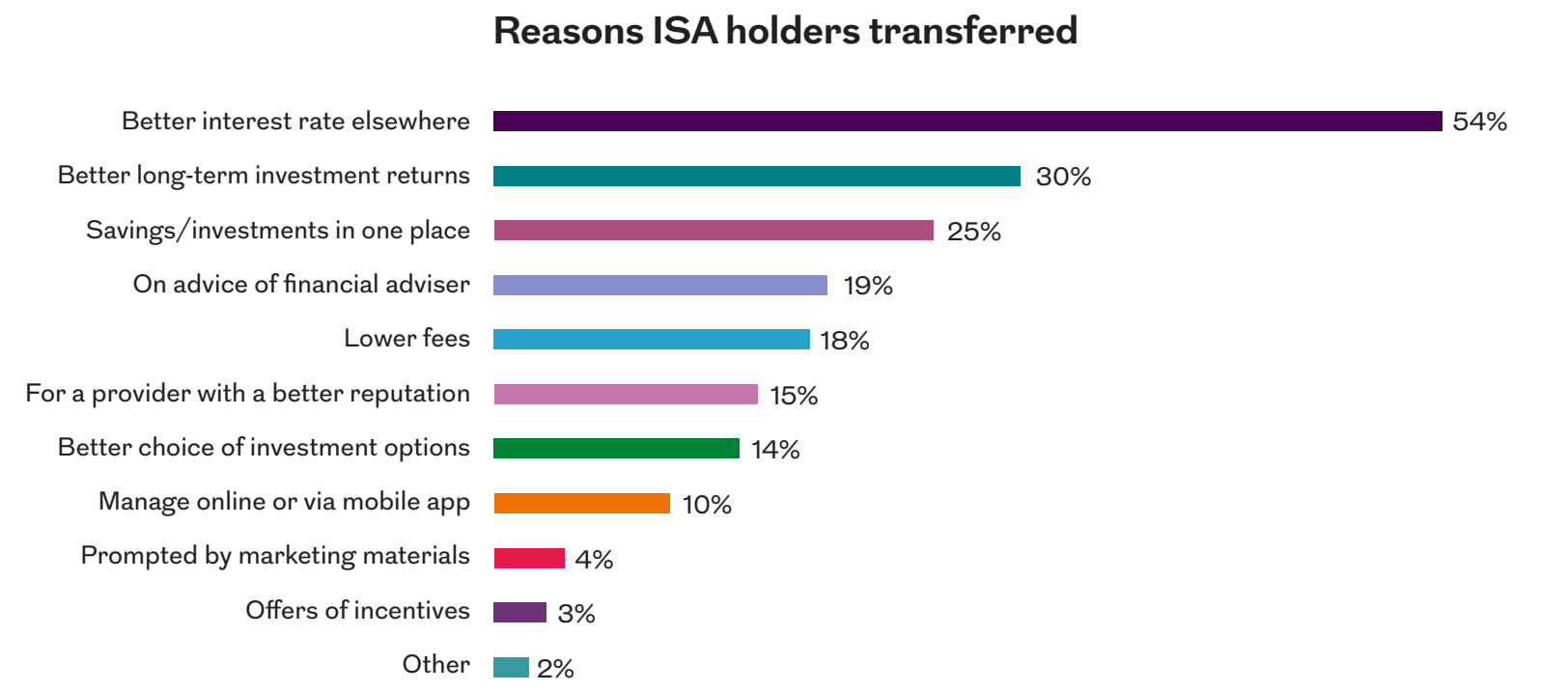
Among those who had transferred, almost half (45%) had done so two to three times. However, nearly one in five people (17%) had transferred between four and five times and almost one in six (16%) had transferred six times or more.

On average, people had transferred over three times, slightly more for Stocks and Shares ISA holders than Cash ISA holders.

## Reasons to transfer

The main reason people transferred Cash ISAs to another provider was to get a better interest rate (75% transferred for this reason). A third (33%) of people who transferred their Stocks and Shares ISA to another provider also cited this reason. While Stocks and Shares ISAs don’t generate a return by paying interest, this response may show a misunderstanding by ISA savers and investors, or that they think their return is ‘interest’ rather than growth.

However, getting a better return on their investments was the most popular reason for Stocks and Shares ISA holders to transfer, while the convenience of having all their savings or investments in one place was another major driver of people’s transfer behaviour.



## Top reasons for ISA transfers

- 1

Better rate of interest
- 2

Better long-term investment return
- 3

Convenience of savings and investments in one place
- 4

Recommended by an adviser



- 
- A close-up photograph of a woman and a young child. The woman, on the left, has dark skin and curly hair, and is smiling while looking towards the right. The child, on the right, has light brown skin and curly hair, and is also looking towards the right with a curious expression. They are both wearing casual clothing. The background is a soft-focus green, suggesting an outdoor setting with foliage.
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# Role of advisers

In this section, we identify people’s favoured sources of information on ISAs, the role financial advisers play in their decision making and what they value most when it comes to advice.

Key insights

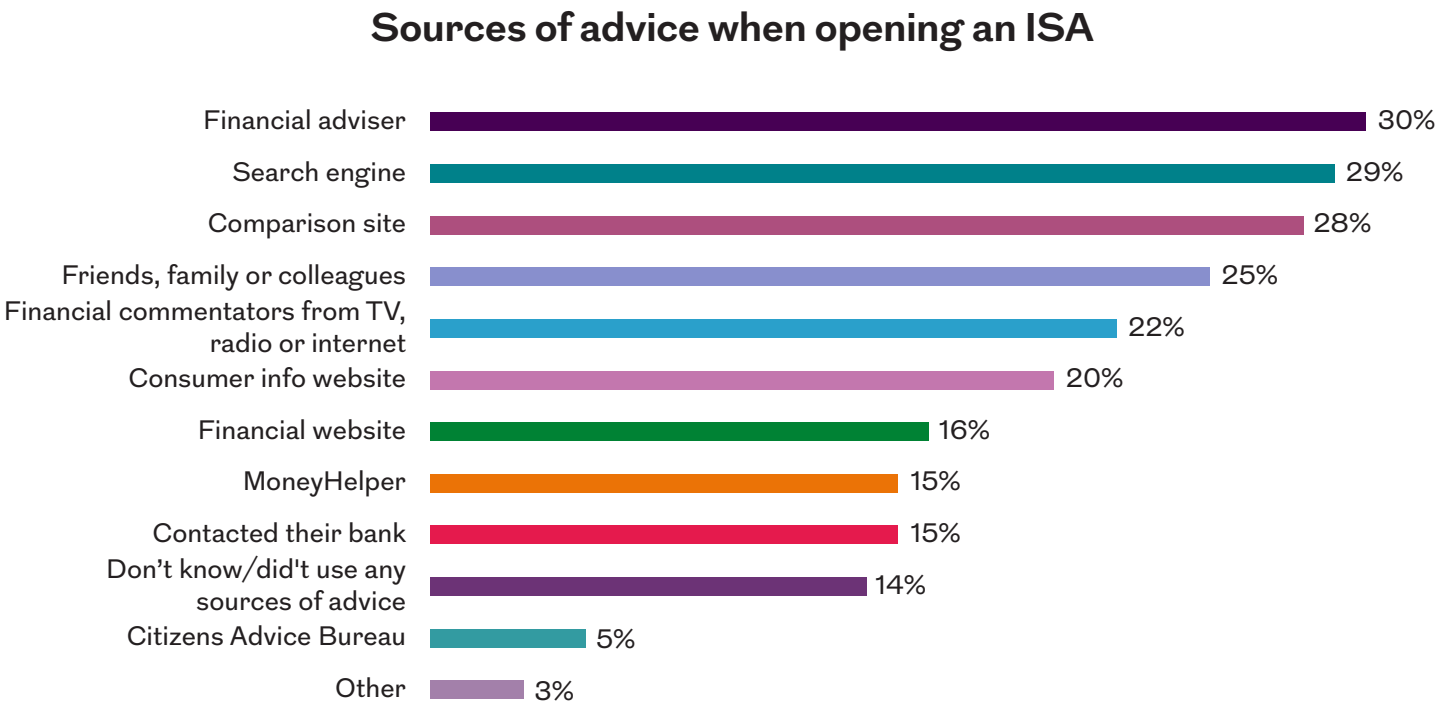
- Encouragingly, we found that consumers recognise the value of their adviser’s knowledge and that those people opening Stocks and Shares ISAs turn to their financial adviser more than any other source of advice or help.

## Most popular sources of advice

While many people take out Stocks and Shares ISAs without advice, we found that three in ten (30%) turned to a financial adviser for help. In fact, our research shows more consumers used a financial adviser than any other individual source of support.

Approximately a third of Stocks and Shares ISA holders (35%) opened a Stocks and Shares ISA as a result of advice from a financial adviser, while a fifth (21%) transferred on the recommendation of an adviser.

Other sources of information and advice include search engines, comparison websites, family, friends and colleagues, as well as the government-backed MoneyHelper service.



Concerningly, one in seven Stocks and Shares ISA investors (14%) didn’t use any sources of information or advice when taking out their ISA. Given that our research reveals knowledge gaps around ISAs and an element of mismatch between appetite for risk and investment decisions, this could increase the chances of investment regret.

## Top three sources of ISA advice/information

- 1 Financial adviser
- 2 Search engines
- 3 Comparison websites

## What consumers value most in an adviser

**Knowledge and trust**

Of those who used an adviser to take out or transfer their ISA, it was the adviser’s knowledge that they valued most.

Over half (52%) stated that they valued their adviser having greater knowledge than they did and trusted them to choose the right product. Interestingly, people’s attitude to ISA risk made very little difference to their responses to this question.

However, knowledge of ISAs did. Those most likely to value their adviser’s knowledge about ISA transfers were consumers with a little knowledge of how Stocks and Shares ISAs worked (56%). Only 43% of people who believe they have a lot of knowledge said they valued this the most.



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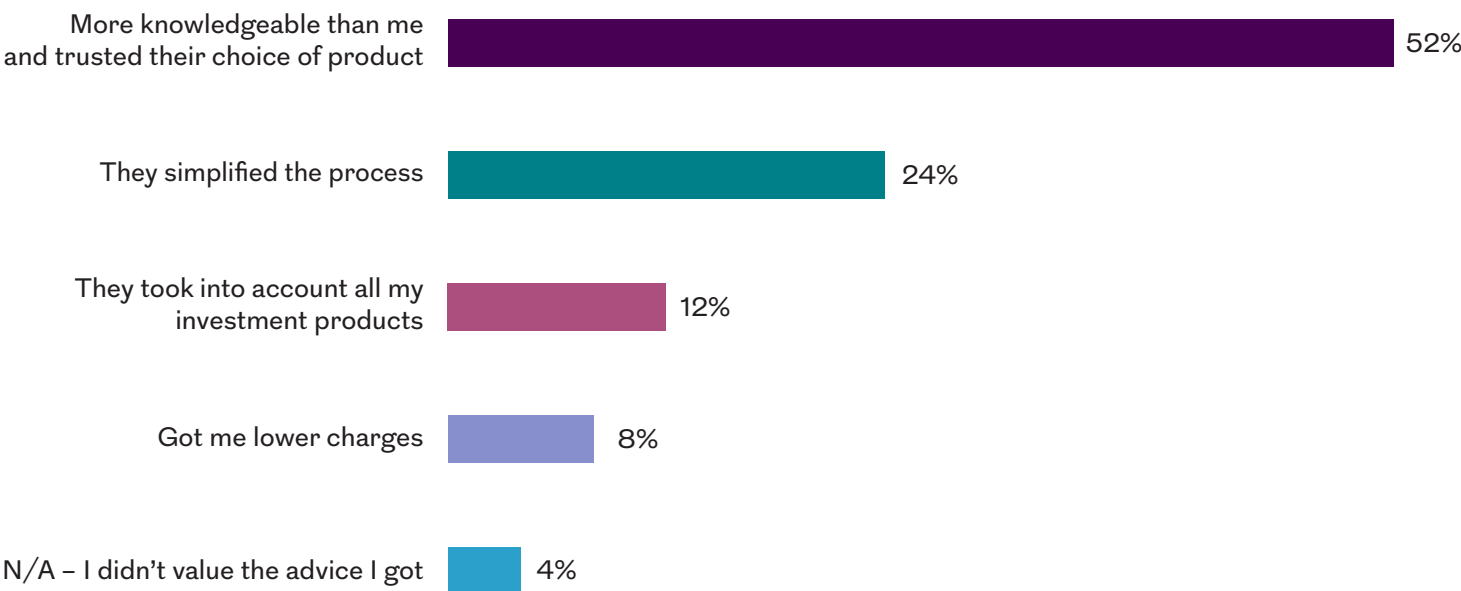
Streamlined process

Almost a quarter (24%) of our respondents who used an adviser to take out or transfer their ISA valued the way the adviser simplified the process, for example, opening an ISA on their behalf.

People with higher levels of savings and/or investments (£50,000 or more) were most likely to value the adviser’s ability to make opening an ISA easy for them (28%).

Some respondents also appreciated the fact that an adviser was able to consider all investment products; 12% of those who’d used an adviser overall and 7% for Stocks and Shares ISA holders.

What people valued most in their adviser when taking out or transferring ISAs



Who’s choosing the investment funds?

Overall, most Stocks and Shares ISA holders chose their investment funds themselves (52%). A quarter (26%) relied on their provider and almost one in five (18%) let their adviser choose.

Income levels didn’t appear to influence the percentage of Stocks and Shares ISA holders who relied on their financial adviser to choose their funds; however, their level of savings and/or investments did play a part. Only 3% of those with £1,000 to £9,999 in savings and/or investments said they had used their financial adviser to choose their funds, compared to 22% of those with over £50,000 in savings and/or investments.

Advising consumers on better ISA choices

With advisers the most trusted and valued source of ISA information, they are uniquely placed to guide consumers toward better financial outcomes, including making more of their money through Stocks and Shares ISAs.

By helping people understand the benefits of investing, as well as the potential missed opportunities of holding too much in cash, advisers can encourage balanced, informed decision making. Education around tax treatments, risk appetite, and the long-term growth potential of Stocks and Shares ISAs is central to this, alongside conversations on the hidden cost of inflation and how it can erode the buying power of cash savings over time.

The ultimate goal, of course, is not to replace cash savings entirely but to ensure that consumers’ money works harder for them.

The direction of travel for the UK government and FCA is clear, with proposals for simplified advice and targeted support to help consumers consider investing in stocks and shares alongside their cash savings.

With this policy push, financial services providers and advisers have an opportunity to work together to build consumers’ financial confidence, close knowledge gaps and provide clear educational guides and tools that can demystify their ISA investment options.





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# Appendix

## Changes to ISA regulations and allowances

- **ISA allowance increases:** The amount that can be saved or invested in an ISA rose from £7,000 a year initially, with annual increases to £11,520 in 2013. There then followed two sharper rises, to £15,000 in 2014 and £20,000 in 2017, where the allowance has remained ever since. The Cash ISA limit was £3,000 a year at launch.
- **Increase in Cash ISA limit:** The ISA rules were changed in 2014 so that Cash ISA savers could save the entire allowance tax-free, whereas previously they could only save up to 50% of the allowance in cash.
- **Additional ISAs:** The ISA range has expanded to include Junior ISAs (launched in November 2011), Innovative Finance ISAs (April 2016) and Lifetime ISAs (April 2017).
- **Age limit increase:** The age at which someone can open an ISA increased from 16 to 18 in April 2024, with transitional arrangements in place for 16 and 17-year-olds.
- **Rules on multiple ISAs relaxed:** Also in April 2024, the rules changed so that ISA holders could have more than one of the same type of ISA in a tax year (for example, two Stocks and Shares ISAs), with the exception of Lifetime and Junior ISAs.
- **Partial transfers:** That same year, rules were relaxed so ISA holders could transfer part of their ISA savings from the current tax year. Previously, people could transfer some or all of their savings from previous tax years but had to transfer the full amount in the current tax year if they wished to move it.



In April 2016, the government introduced a personal savings allowance, enabling basic-rate taxpayers to earn £1,000 interest a year tax-free from savings accounts where interest would have previously been taxable (£500 for higher-rate taxpayers).

This watered down the attractiveness of Cash ISAs providing tax-free interest on savings, as it enabled many people, particularly basic-rate taxpayers, with an average level of savings, to receive tax-free interest elsewhere.

Research on ISA investing and behaviour was carried out by Opinium Research via an online questionnaire and was in field between April 4 - 11 2025, with a sample of 4,000 UK adults, weighted to be nationally representative. Opinium Research is a member of the British Polling Council.





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