STARTUP C✳ALITION

Squirrelled Away

How to fix the UK's Savings and Investments Product Landscape. Report two of Bullish Britain, Startup Coalition's blueprint for a UK Retail Investment Strategy.

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About Startup Coalition

Startup Coalition, formerly the Coalition for a Digital Economy (Coadec), is an independent advocacy group that serves as the policy voice for Britain's technology-led startups and scaleups. Startup Coalition was founded in 2010 by Mike Butcher, Editor-at-Large of technology news publisher TechCrunch, and Jeff Lynn, Chairman and Co-Founder of online investment platform Seedrs. Startup Coalition works across a broad range of policy areas that matter the most to startups and scaleups: Access to Talent, Access to Finance & Regulation.

Methodology

The polling cited in this report was commissioned by Startup Coalition and carried out by Stack Data Strategy, an opinion research consultancy. Stack surveyed 2008 UK adults between 13 and 18 October 2026. All interviews were conducted online. To ensure the sample was nationally representative, in-depth quotas were used during data collection and weighting was applied in post-processing. The sample was balanced to be representative of the UK adults by age, gender, region/nation and education. Data tables are available here https://www.stackdatastrategy.com/data

Several questions involved a 'split sample' approach to testing visual stimuli to test the impact on consumers of having financial information presented to them in different ways. In these tests there were two stimulus variants, with each individual respondent being randomly assigned one. The visuals used are shown in the report.

Percentages cited and shown in visuals may not always sum up to 100%, due to 'rounding effect'.

Executive Summary

In October 2025, our report All About the Gains wrote about “the ISA reforms that nobody’s talking about”.[1] Everyone is talking about them now. The past eighteen months have been unusually busy for the ISA. Britain has always been good at squirrelling money away. Savers held £952 billion in adult ISAs at the end of 2024-25, and 44% of it sat in cash.[2] Asked what they would do with an unexpected £1,000, more people in our polling chose a savings account (35%) than any other option. Just 9% would invest it.

The ISA should be the bridge from saving to investing. When it launched in 1999, it made one simple promise. Put money in, let it grow and pay no tax on it. Twenty-seven years later, a saver faces five ISAs open to new money and a sixth that has closed but still holds savings. A seventh is due in 2029, and the Chancellor floated an eighth at the last Budget.

Our polling found:

- **Only 1% of UK adults could pick out the five real ISAs from a list that also included entirely fictitious types.**
- **A third (32%) think the Help to Buy ISA is still open.**
- **Fewer than half (45%) know that adults can put £20,000 a year into ISAs.**
- **Only 42% of 18 to 34 year olds know the Lifetime ISA exists.**
- **Fewer than half of parents of school-age children recognise the Junior ISA.**

Into this maze walked Savvy the Squirrel. Invest for the Future, the industry campaign launched in April 2026 with the support of HMT and the FCA, tells the public to “take the next step, Invest”. Startup Coalition supports its goal: we should encourage more people to invest, but an advert isn’t enough.

The 2026 Budget removed some obstacles: the Chancellor reversed the planned cut to the cash ISA allowance and dropped the 22% charge on cash held in stocks and shares ISAs. Startup Coalition welcomes both decisions because they were always the wrong policy levers to pull to get British people to invest. Our polling, conducted before the Budget, showed that the cut would have moved little money into investments anyway. Only 27% of cash ISA holders said they would put the £8,000 they could no longer save in cash into a stocks and shares ISA. More would have used an ordinary savings account (32%) and some would leave the money in a current account (14%). The same Budget confirmed a First Time Buyer ISA from April 2029 to replace the Lifetime ISA and promised an incentive for first time investors that could be called the Starter ISA. The ISA landscape becomes littered even further.

Squirrelled Away argues that we need ISA simplification over everything else. This could look like one flexible ISA that holds cash and investments; ensuring that there are no new ISAs like the rumoured Starter ISA; fixing the Lifetime ISA; using Savvy the Squirrel to educate rather than instruct and appoint a retail investment champion in Government to keep an eye on all of this.

British people don't need another ISA. They need to understand the ones they've already got.

[1] https://startupcoalition.io/u/2025/10/Startup-Coalition-All-About-the-Gains-FOR-RELEASE.pdf

[2] https://www.gov.uk/government/statistics/annual-savings-statistics-2026/commentary-for-annual-savings-statistics-september-2026

What we are calling for

The Government should:

1. Appoint a Retail Investment Champion, accountable for raising the share of adults who invest and for publishing a Retail Investment Strategy.
2. Give fintechs a permanent seat on the Financial Inclusion Committee.
3. Introduce a seven-working-day switching guarantee for ISA transfers, modelled on the Current Account Switch Service.
4. Explore auto-enrolled ISA saving and investing through payroll, learning from New Zealand's KiwiSaver.
5. Create one ISA for adults that can hold cash, investments or both, within the existing £20,000 annual allowance.
6. Allow money withdrawn from the single ISA to be paid back in later tax years, following Canada's Tax-Free Savings Account.
7. Abolish the Innovative Finance ISA, and allow its assets, including crypto ETNs, to be held in the single ISA.
8. Deliver the first-time investor incentive as a bonus within existing ISAs rather than through a new Starter ISA, and design it with fintechs.
9. Index the property caps on the Lifetime ISA and the First Time Buyer ISA to the ONS House Price Index.
10. Apply the First Time Buyer ISA's improvements to the Lifetime ISA rather than running two products side by side, or at least let Lifetime ISA savers transfer their balances across.
11. Allow more than one Junior ISA per child, within the existing £9,000 annual allowance.
12. Introduce Learn-to-Earn, as set out in See the Light, and open a Junior ISA automatically for every child who reaches Year 7 without one.

Invest for the Future should:

13. Use Savvy the Squirrel to teach people the facts they are missing, measure success by accounts opened and money invested, and offer a proportionate membership tier for startups and scaleups.

Introduction: Why Savvy the Squirrel is nuts

In April 2026, a cartoon squirrel in a green hoodie was given the job of turning Britain into a nation of investors. Savvy the squirrel is the face of *Invest for the Future*, a joint industry and Government campaign whose message to the public is "Take the next step. Invest."[3] It has been billed as a modern successor to one of the most famous adverts in British financial history, Tell Sid.

If you see Sid, tell him.

In December 1986, British Gas floated on the London Stock Exchange. To persuade ordinary people to buy shares in this newly privatised state utility, Margaret Thatcher's Government ran a heavily advertised campaign built around a single line, "If you see Sid… tell him!". Sid himself never appeared on screen; the central joke of the campaign was that ordinary citizens were passing the message along to one another. Around four million people applied to become Sids, and millions successfully secured shares. *Tell Sid* was one part of a deliberate political project that Thatcher called popular capitalism. The idea was that Britain's companies should be owned by the public as well as by the wealthy and the institutions. It appeared to work in the short term. Driven by successive state privatisations such as British Telecom, British Gas, and British Airways, the proportion of the UK adult population holding individual shares rose from 7% in 1979 to nearly 25% by 1989.

However, Tell Sid created more of a temporary speculative moment rather than a lasting culture of retail investing. Lacking ongoing financial education and accessible tax wrappers, millions of first time investors sold their British Gas shares shortly after flotation to capture quick cash gains. Because the broader financial ecosystem was never restructured to make continuous, small-scale investing easy, cheap, or routine, retail participation steadily eroded. According to Office for National Statistics (ONS) data, the share of the UK stock market held directly by individual UK residents plummeted from 54% in 1963 to 37.5% in the 1970s, 20.6% by the late 1980s, and 13.3% in the 2010s, ultimately settling at just 11.6% by the end of 2024.[4] Tell Sid proved that a high-profile advertising mascot can drive an initial surge of curiosity, but without structural reform to the underlying investment architecture, that momentum inevitably dissipates.

Enter Savvy

On 23rd April 2026, the UK financial services sector launched Invest for the Future, a multi-year, £20 million national advertising initiative billed as the modern successor to Tell Sid. Spearheaded by the Investment Association (IA) which is the trade body representing UK asset management firms, the campaign operates with formal backing from HM Treasury, the FCA, and MoneyHelper. The corporate sponsors include traditional wealth managers and high-street banking heavyweights, such as Hargreaves Lansdown, Vanguard, Quilter, Schroders, St. James's Place, Aviva, Barclays, NatWest, HSBC UK, and Lloyds.

[3] https://takethenextstepinvest.co.uk/about/
[4] https://www.ons.gov.uk/economy/investmentspensionsandtrusts/bulletins/ownershipofukquotedshares/2024

Savvy is intended to subvert the traditional UK financial trope of "squirrelling money away" into low-yield cash accounts. The campaign spans billboards, bus stops, social media, TV advertisements, and "Savvy Cabs", a fleet of branded taxis offering free rides to passengers willing to discuss personal investing.

The case for a national campaign is undeniable. Britons are disciplined cash savers and reluctant equity investors. Only 8% of UK household wealth is held directly in stocks and shares, the lowest share in the G7.[5] Savers held £952 billion in adult ISAs at the end of 2024-25, and 44% of it was in cash.[6] The Social Market Foundation estimates that Britons hold £430 billion in excess cash, counting only savings above six months' income.[7] Over twenty years, £1,000 held in cash would have shrunk to £595 in real terms, while the same sum in a diversified portfolio would have grown to £1,216.[8]

Startup Coalition welcomes the goal of Invest for the Future. Britain needs more of its savers to become investors. But an advertising campaign cannot get them there on its own.

Take the next step. Into what?

Consider the journey of a first-time investor. A commuter in London sees Savvy on the side of a cab, scans the QR code and lands on the campaign website. They find four brief pages, a few short videos and the standard regulatory risk warnings. There is no practical explanation of what an index fund holds or how a tax-free wrapper works. If they are still keen enough to open an account, they leave the campaign site and walk straight into the ISA maze.

Instead of a single path, they face a list of overlapping accounts.

- Cash ISAs
- Stocks and shares ISAs
- Innovative Finance ISAs
- Lifetime ISAs, alongside the legacy Help to Buy ISAs that some people still hold
- Junior ISAs
- A First Time Buyer ISA due in April 2029
- A potential Starter ISA

Faced with this alphabet soup, the commuter's momentum can easily turn into paralysis. The campaign tells people to take the next step and then sends them into a system that demands a level of financial knowledge most people do not have.

Invest for the Future is funded entirely by its partner firms. A seat on its steering group therefore comes with a financial contribution. We recognise that campaigns cost money, and that this needs to be borne by someone. At Startup Coalition, we'd rather this cost falls on industry, rather than the taxpayer, and

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5 https://www.smf.co.uk/brits-have-430-billion-stuck-in-low-return-cash-savings-simplify-isas-to-get-us-investing-says-think-tank/

6 https://www.gov.uk/government/statistics/annual-savings-statistics-2026/commentary-for-annual-savings-statistics-september-2026

7 https://www.smf.co.uk/brits-have-430-billion-stuck-in-low-return-cash-savings-simplify-isas-to-get-us-investing-says-think-tank/

8 https://www.theia.org/news/press-releases/britain-encouraged-take-next-step-new-national-investing-drive-launches

therefore don’t dispute the principle. In practice, however, the Savvy campaigns participation structure appears to have failed to ensure a wide range of industry participation. Setting the price high has created an institutional paywall and kept out the challenger platforms that have spent the past decade bringing first-time retail investors into the market.

Anyone opening the campaign’s "Find partner" page sees a guided tour of three centuries of British finance: the very firms that they deem inaccessible or “not for them” today.

Britain’s most successful home-grown WealthTech platforms are entirely absent from the consortia of funders. The campaign omits the digital infrastructure that modern first-time investors rely upon in practice, such as Moneybox, which now serves almost 2m customers and manages more than £22bn in assets after adding 390,000 new users in the first half of 2026 alone. Similarly missing are platforms like Prosper which puts the focus on compounding fees as the biggest problem facing pension holders in the UK trying to build enough money to retire on. It also allows individuals to start investing with no minimum contribution and offers zero platform fees on core investment accounts to make wealth-building accessible for first-time investors. Fintech business models like these eliminate the platform and execution fees that render micro-investing economically unviable on legacy systems, the same legacy systems that appear on the campaign’s website.

These challenger platforms operate under the exact same FCA conduct rules and mandatory risk disclosures as the traditional incumbents featured on the campaign site. The critical distinction lies in product design. Whereas legacy providers built their interfaces for affluent clients or professional advisers, modern fintech firms have integrated financial education directly into mobile application workflows, enabling a frictionless onboarding process within minutes. The UK WealthTech sector is now worth £9bn and employs over 10,000 people, representing Britain's most effective engine for democratising retail capital. Excluding these high-growth innovators from the primary national strategy to recruit new investors reveals a fundamental disconnect between policy design and market reality.

Zoom out, and the high cost of participation in this nationwide scheme forms part of an established institutional pattern across UK financial services policymaking that excludes innovators and provides a platform for incumbents. The Financial Inclusion Committee, tasked with shaping the Government's overarching Financial Inclusion Strategy, comprises eighteen members drawn from building societies, traditional insurers, credit reference agencies, incumbent banks, and consumer advocate groups, yet it features no dedicated seat for fintech firms. When the Treasury Select Committee conducted evidence sessions to interrogate the strategy, the witness panel comprised the same traditional sector representatives. One incumbent executive candidly admitted to lawmakers that the strategy contained nothing that traditional industry players would object to, highlighting how the policy relies on voluntary action from institutions that historically viewed lower-balance retail consumers as unprofitable.

What we are left with is a striking paradox at the heart of the UK retail investment dilemma. The institutions that implicitly decided whole groups of customers were not worth serving are writing the plan to serve them, while the firms that built profitable businesses serving exactly those customers watch from outside the room. To build a genuine nationwide investment culture, the Government must grant fintechs permanent seats on the Financial Inclusion Committee and consider a startup membership offer of any Savvy Squirrel 2.0. A serious national effort to turn the British general population into investors must include the pioneers who have already achieved that goal at scale.

Policy first, mascots second

Britain's most successful savings campaign of recent memory also relied on a mascot. Workie, a giant furry creature personifying the workplace pension, fronted The Pensions Regulator's national advertising campaign for automatic enrolment. Yet nobody credits Workie with the policy's historic success. Since 2012, mandatory auto-enrolment has required employers to enrol eligible workers into a workplace pension unless they actively opt out, successfully bringing around nine in ten eligible employees into retirement savings. It was the structural removal of friction, making saving the effortless default, that delivered results, not the mascot telling people to take the next step, and open a pension. Sweden achieved a similar breakthrough for retail investing by eliminating structural complexity. When it introduced the investment savings account (ISK), it made investing so straightforward, frictionless and accessible that direct share ownership amongst Swedish adults surged from 14% to 43%. Both examples prove that policy simplicity and frictionless design drive lasting behavioural change.

Savvy can still play a valuable part. To do so, the squirrel needs something worth advertising and a script that fills the gaps in what people know. Fewer than half of adults know the ISA allowance. Among adults in households earning less than £30,000 just over a quarter say they simply do not know what the ISA allowance is. This is calling for mass financial education. A squirrel that only says "invest" will become a lame duck. A squirrel that tells people they can put £20,000 a year into an ISA, and that everything they earn inside it is tax free, gives them facts they can act on.

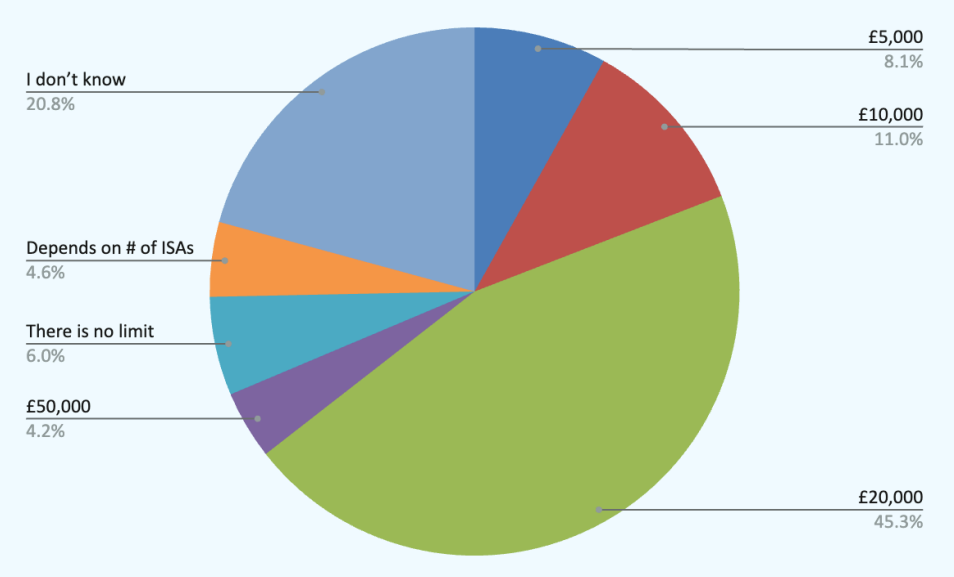

Figure 1, As far as you know, what is the maximum amount an adult can currently put into ISAs in a single tax year? If you are not sure, please give your best guess

Savvy also needs a Government that has decided what it wants. Retail investment policy belongs to everybody and nobody. The Treasury sets ISA rules and HMRC administers them. The FCA regulates the firms, the Money and Pensions Service offers guidance and the Department for Education is responsible for curriculum changes to introduce financial education. Pensions have had a dedicated minister for decades. Retail investment sits in the Economic Secretary's crowded portfolio.

The cost of that shows up in policy. In March 2024, the then Chancellor announced a British ISA that the next government dropped.[9] In November 2025, the next Chancellor cut the cash ISA allowance. Eleven months later, the current Chancellor reversed the cut. The Government should appoint a Retail Investment Champion who owns a single number, the share of adults who invest, and has the authority to make every department pull in the same direction.

[9] https://www.cityam.com/u-turn-british-isa-dropped-by-labour-despite-prior-pledges/

Our recommendations

The Government should:

- Appoint a Retail Investment Champion in Government, accountable for raising the share of adults who invest and for publishing a Retail Investment Strategy that sets out what HM Treasury, HMRC, the FCA and the Department for Education will each do, and by when.
- Give fintechs a permanent seat on the Financial Inclusion Committee.

Invest for the Future should:

- Mobilise Savvy the Squirrel to teach people about their ISA allowances. The billboards, the cabs and the TV adverts should carry facts people are missing, such as the £20,000 annual limit, so that the campaign informs as well as encourages.
- Measure success by accounts opened and money invested, as well as by impressions and attitudes.
- Offer a proportionate membership tier for startups and scaleups in the campaign's second year.

Chapter 2: The ISA Maze

The best policies promoting empowered personal finance are the ones nobody has to think about. Auto-enrolment is the obvious example. Since 2012, employers have paid part of each worker's salary into a pension unless the worker chooses to opt out. Millions of people now have a pension. The ISA began as a good policy. In 1999 Gordon Brown replaced Personal Equity Plans and TESSAs with a single tax-free account. You put money in, it grew, and you paid no tax on it. Twenty-seven years later, there are seven types of ISA, each with its own limits, age rules and penalties.

A guided tour to the UK's ISA landscape

Type	Description	Availability
Cash ISA	Tax-free interest on cash savings, with up to £20,000 a year paid in within the overall ISA allowance. Accounts can be easy access, notice or fixed term. A flexible Cash ISA lets savers withdraw and replace money in the same tax year without using more of their allowance.	Active and open to UK residents aged 18 or over. The planned cut to £12,000 for under-65s from April 2027 was scrapped at Budget 2026, so the £20,000 limit stays for savers of all ages.
Stocks and Shares ISA	Tax-free investments in funds, shares, bonds and investment trusts, with up to £20,000 a year paid in within the overall ISA allowance.	Active and open to UK residents aged 18 or over.
Innovative Finance ISA	Tax-free interest from peer-to-peer lending, crowdfunded debentures and other debt-based investments.The FSCS does not cover losses when borrowers fail to repay. Within the annual £20,000 total ISA limit. Investors must complete a self-certification questionnaire during platform onboarding. Most everyday savers register as Restricted Investors, agreeing to invest no more than 10% of their net assets in high-risk debt or peer-to-peer products. Alternative options exist for Certified Sophisticated or High-Net-Worth individuals, which removes the 10% investment ceiling.	Active and open to UK residents aged 18 or over. A small number of specialised platforms choose to limit access strictly to sophisticated or high-net-worth investors.
Lifetime ISA	Saving or investing for a first home or for later life, with up to £4,000 a year counted within the overall ISA allowance. The government adds a 25% bonus of up to £1,000 a year. The money can go towards a first home costing up to £450,000 or be withdrawn from age 60. Maximum total lifetime bonus of £32,000 to £33,000,Other withdrawals carry a 25% charge. From 29 October 2026 the charge falls to 20% for a first home costing more than £450,000.	Active until April 2029 for adults aged 18 to 39, who can keep paying in until they turn 50. It then closes to new savers when the First Time Buyer ISA launches. Existing holders can carry on paying in under current rules.
Help to Buy	Cash savings for a first home deposit, with up	Closed to new savers since 30

ISA	to £200 a month after a first deposit of up to £1,200. The government adds a 25% bonus. Savers need at least £1,600 to claim, and the bonus reaches its £3,000 maximum on a balance of £12,000. Homes must cost up to £250,000, or up to £450,000 in London.	November 2019. Existing savers can pay in until 30 November 2029 and must claim the bonus by 1 December 2030. Between 6 April 2029 and 1 December 2030 they can move their full balance into a First Time Buyer ISA outside the annual limit.
First Time Buyer ISA	Investing or saving for a first home only with up to £4,000 a year and a 25% government bonus capped at £20,000 in total. The bonus is calculated on the final balance and paid when the money goes towards a first home costing up to £450,000. Withdrawals for anything else carry no charge but earn no bonus. The account must be open for a year before a bonus is paid. Savers can hold only one. Lifetime ISA balances cannot be moved in, although both accounts can fund the same purchase.	Upcoming for first-time buyers aged 18 or over, with no upper age limit. It was first announced at Autumn Budget 2025 and confirmed at Budget 2026. It launches on 6 April 2029 and replaces the Lifetime ISA for new savers.
Junior ISA	Tax-free cash savings or investments for a child, with £9,000 per child each year, separate from the adult allowance. The money belongs to the child and is locked until they turn 18, when the account becomes an adult ISA. The child can take over managing it at 16. A child can hold one cash Junior ISA and one stocks and shares Junior ISA.	Active. A parent or guardian with parental responsibility opens it for a UK-resident child under 18, and anyone can pay in..
Starter ISA?	A planned incentive for people investing in a Stocks and Shares ISA for the first time. It could take the form of a new account or extra benefits within existing ISAs. Exact limits, structures, and launch dates are still unconfirmed.	In development, with the Government working with the investment industry on the design. It was proposed at Budget 2026 for first-time investors.

This is too complex and the public is suffering from the complicated landscape. The Social Market Foundation found that 49% of adults think the different types of ISA are too complicated.[10]

Our own polling shows the consequence: Even though people had knowledge about different types of ISA being available, only 1% of adults could pick out the correct selection of available ISAs from a list.

10 https://www.smf.co.uk/brits-have-430-billion-stuck-in-low-return-cash-savings-simplify-isas-to-get-us-investing-says-think-tank

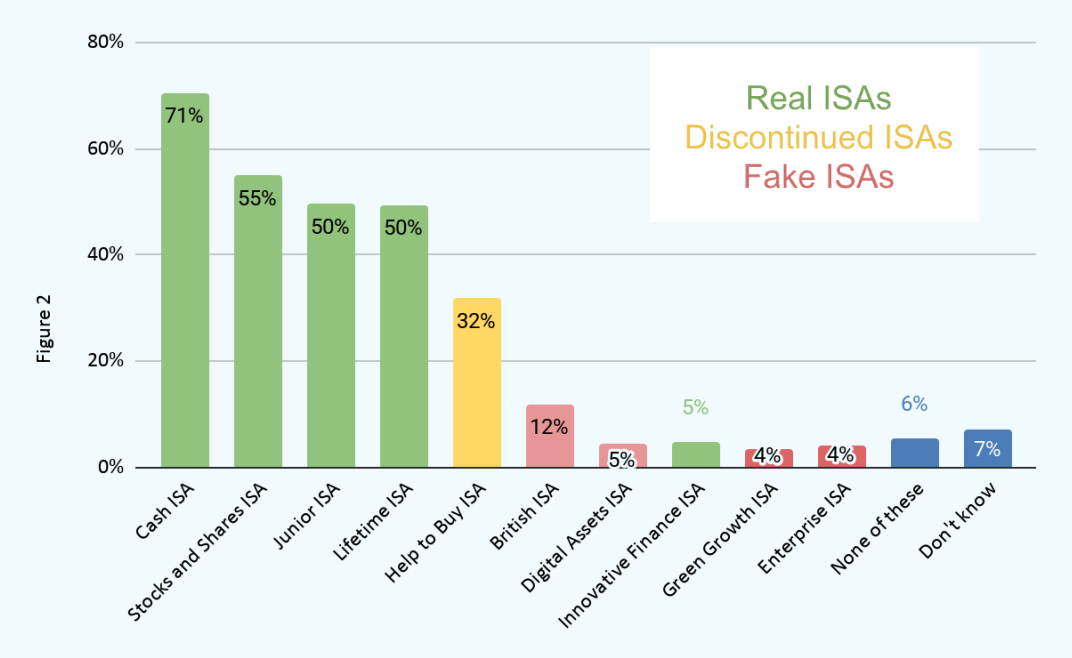

Figure 2, Which of the following do you think are real types of ISA available to open in the UK today? Even if you are not sure, please select any that you think exist.

A year of moving the furniture

When the new Government dropped the British ISA in 2024, officials said they were "not planning to complicate the ISA landscape even further".[11] The following two years tested that promise.

In November 2025, the Budget cut the cash ISA allowance for under-65s from £20,000 to £12,000 from April 2027. The Government then had to stop savers getting round the new limit by holding cash inside a stocks and shares ISA. In June 2026, it confirmed rules that would have stopped under-65s moving money from a stocks and shares ISA into a cash ISA.[12] Interest earned on uninvested cash in a stocks and shares ISA would also have been charged at 22%. Holding some cash is a normal part of investing. Dividends are paid in cash. New money often sits as cash before it is invested. A parent saving for university fees will sensibly move into cash in the final year, so that a market fall cannot eat the money they need. The new rules would have taxed that sensible behaviour.

The rules also would have contradicted each other. Money market funds, which behave much like cash, were spared.[13] Outside an ISA, most basic-rate taxpayers pay no tax on their first £1,000 of savings interest. Inside a stocks and shares ISA, the same interest would have been charged at 22% from the first penny. For many ordinary savers, a tax-free account would have become a worse home for cash than a normal bank account. Britain had tried this before. A similar 20% charge existed until 2014, when George Osborne scrapped it to make ISAs simpler.

The charge would only ever have applied to interest on uninvested cash. Investment growth was always going to stay tax free. Most people never heard that part. Personal finance sites ran headlines such as

[11] https://www.cityam.com/u-turn-british-isa-dropped-by-labour-despite-prior-pledges/

[12] https://www.gov.uk/government/publications/fiscal-events-2026-factsheets/isa-reform-2027-anti-circumvention-rules-factsheet

[13] https://www.ii.co.uk/analysis-commentary/tax-cash-money-market-funds-spared-isa-rule-change-ii539450

"Stocks & Shares ISAs to be hit with new 22% tax".[14] In June 2026, Full Fact had to add context to social media posts claiming that people would "pay 22 percent tax" on their stocks and shares ISAs.[15] A policy designed to push people into investing convinced some of them that investing was about to be taxed.

Back to square one

On 28 October 2026, the Chancellor reversed the cash ISA cut and dropped both the 22% charge and the transfer ban.[16] Startup Coalition welcomes these decisions. Our polling shows that the cut would have failed on its own terms. Only 27% of cash ISA holders would have moved the displaced £8,000 into a stocks and shares ISA. Almost half (45%) would have kept it in cash outside an ISA, either in an ordinary savings account or in their current account. Another 17% would have invested it outside an ISA and paid tax they did not need to pay. Recent research found that among cash ISA savers who did not already hold a stocks and shares ISA, fewer than one in ten (9%) said they would open one if the allowance were cut.[17] Restricting the cash ISA would have pushed money out of the tax wrapper altogether, while leaving the stocks and shares ISA as hard to understand as before. The reversal returns savers to where they stood in 2025, albeit with more confusion.

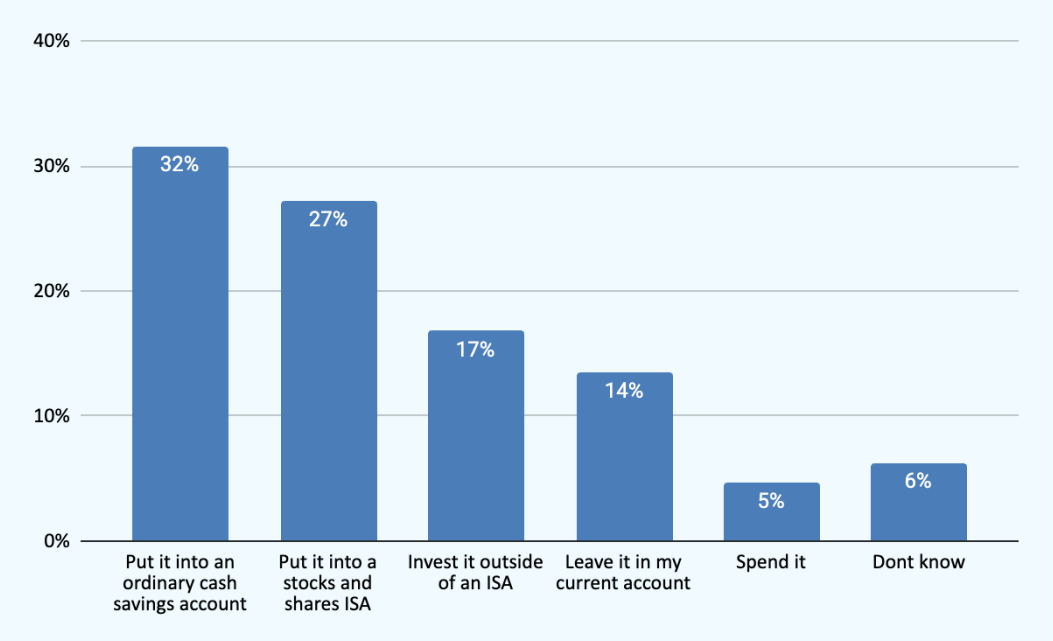

Figure 3, Now imagine you started a year with £20,000 spare in your current account and had decided to put £12,000 into a cash ISA. Under the new rules after April 2027, you would now not be allowed to also put the remaining £8,000 into a cash ISA. What would you be most likely to do with the remaining £8,000 instead? (Cash ISA holders only)

The same Budget made the ISA maze bigger. It confirmed the First Time Buyer ISA, which will replace the Lifetime ISA. It also promised an incentive like a Starter ISA for first-time investors, which will be developed alongside industry.

[14] https://moneytothemasses.com/news/stocks-and-shares-isas-new-tax-charge-explained/amp
[15] https://fullfact.org/economy/stocks-and-shares-isa-22-percent/
[16] https://www.moneysavingexpert.com/news/2026/10/cash-isa-limit-cut-cancelled/
;
https://www.which.co.uk/news/article/stocks-and-shares-isa-cash-interest-tax-cancelled-in-autumn-budget-2026-aebwl6S8X9u6
[17] https://www.diyinvestor.net/uk-savers-issue-stark-warning-to-government-against-cutting-cash-isa-allowance/

Free to move

Moving a current account to a new bank is guaranteed to take no more than seven working days. The Current Account Switch Service handled more than one million switches in 2025, and 99.2% of switches in the final quarter were completed within seven days.[18] If anything goes wrong, the customer is refunded any lost interest or charges.

Under HMRC's rules, a cash ISA transfer can take up to 15 working days, while transfers for Stocks and Shares ISAs, Innovative Finance ISAs, and Lifetime ISAs are allowed to drag on for up to 30 calendar days.[19] These lengthy, outdated timelines mean money can sit out of the market for weeks at a time, and it is no surprise that the Financial Ombudsman Service (FOS) lists admin errors and delays among the most common ISA complaints it receives.[20]

The public wants this fixed. Seven in ten (70%) want the seven-day guarantee extended to ISAs, pensions or both, and only 8% oppose this. A seven-working-day guarantee for ISA transfers, modelled on the Current Account Switch Service, would give providers a reason to compete on service. It would also give savers confidence that choosing a provider is never a life sentence.

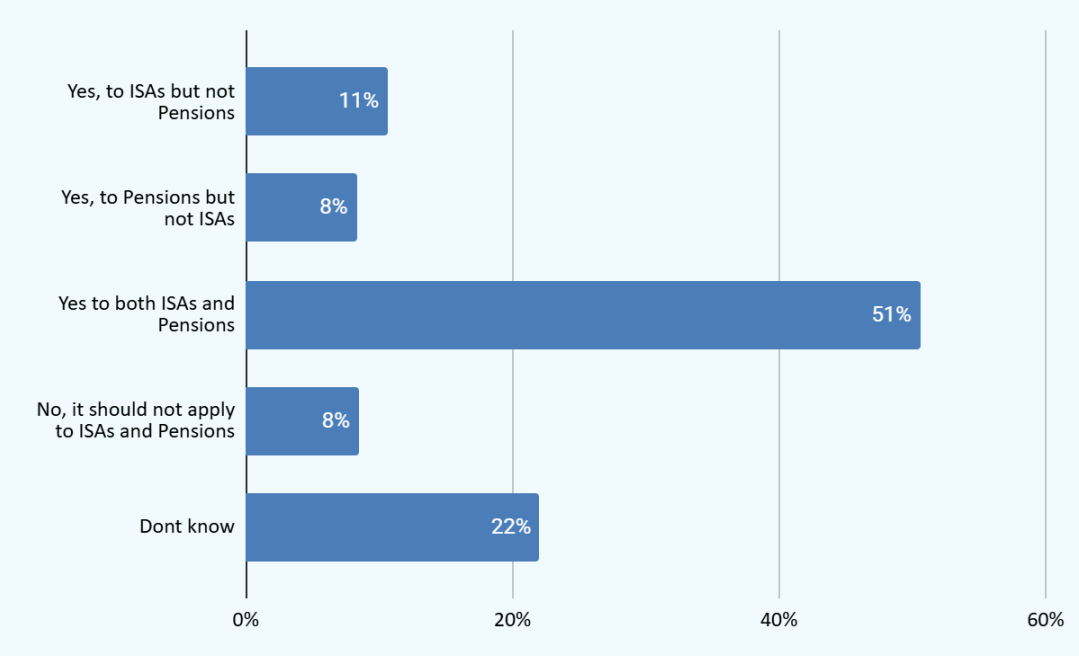

Figure 4, If you switch your current account to a different bank, there is a guarantee that makes sure all outgoing and incoming payments are taken care of, and that the money gets transferred on a date you choose. This process takes no longer than seven working days. If anything goes wrong, you get refunded and interest lost, or charges. This guarantee does not apply to ISAs or pensions. Do you think the same seven-day guarantee should also apply to moving an ISA or a pension?

18 https://www.currentaccountswitch.co.uk/news-insights/switching-data/current-account-switch-service-records-over-one-million-switches-in-2025/

19 https://www.gov.uk/individual-savings-accounts/transferring-your-isa

20 https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/investments/individual-savings-accounts-isas

Our recommendations

HMT and HMRC should:

- Introduce a seven-working-day switching guarantee for ISA transfers, modelled on the Current Account Switch Service. It should cover cash and investment ISAs, including transfers of investments without selling them, and compensate savers for losses caused by late transfers.

Chapter 3: The world copied and improved our homework

Britain invented the modern tax-free investment account. Other countries studied it, copied it and improved on it. Four of them offer lessons for the next generation of the ISA landscape.

Japan, where the time limits disappeared

Japan launched its Nippon Individual Savings Account, or NISA, in 2014, modelled on the UK ISA. For a decade it was held back by time limits. Tax-free status on the main version lasted only five years, and savers had to choose between overlapping variants. In January 2024, Japan rebuilt it. NISA became permanent, the tax-free holding period became unlimited and the annual allowance roughly tripled.[21] The results have been striking. By the end of June 2026, Japanese savers held more than 30 million NISA accounts and had invested around ¥85 trillion through the scheme[22]. Japan will open the scheme to children aged 0 to 17 from January 2027. Accounts held by teenagers already rose from around 130,000 to 490,000 in the first half of 2026.[23]

Canada, an account for every goal

Canada's Tax-Free Savings Account, launched in 2009, holds cash, funds, shares and bonds in a single account. Its defining features are simplicity and flexibility. A saver can withdraw money at any time, and the amount withdrawn is added back to their contribution room the following year[24]. The same account can therefore serve a house deposit, an emergency fund or a wedding, without the saver having to choose a product for each goal in advance. Canadians have embraced it. The Social Market Foundation found that 58% of Canadian adults hold a TFSA, compared with 42% of Britons who hold an ISA.[25] Almost three quarters (73%) of Canadians feel they understand its rules. Only 31% of Britons say the same about the stocks and shares ISA.

Sweden, simple enough to be unavoidable

Sweden introduced the investeringssparkonto, or ISK, in 2012. It holds funds and shares, and it removes the need to report individual gains. Savers instead pay a flat annual tax based on the value of the account, and from 2026 the first SEK 300,000 is tax free.[26] Selling one fund to buy another triggers no tax at all. Simplicity made it popular. More than 4.2 million Swedes held an ISK in 2025, around four in ten of the population, including more than 211,000 children under 16.[27] Sweden's direct share ownership rose from 14% to 43% of adults after the account launched.

New Zealand, where doing nothing builds wealth

New Zealand's KiwiSaver, launched in 2007, automatically enrols people when they start a new job.

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[21] https://www.mof.go.jp/english/policy/tax_policy/tax_reform/fy2023/05keyhighlight.pdf
[22] https://diamond.jp/articles/-/400882
[23] https://www.fsa.go.jp/common/conference/danwa/20260413_2.pdf
[24] https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/tax-free-savings-account/withdraw.html
[25] https://www.smf.co.uk/publications/retail-investment/
[26] https://www.handelsbanken.se/sv/ekonomi-i-livet/privatekonomi/spara-klokt/basta-spartipsen/nya-skatteregler-for-isk-2026
[27] https://www.dagensps.se/privatekonomi/svenska-isk-pekas-ut-som-eus-storsta-succe

They can opt out within a short window. Contributions come straight from payroll and are matched by employers. After three years, members can withdraw their savings to buy a first home. In the year to March 2025, KiwiSaver had 3.4 million members and NZ$123 billion under management. In the same year, 42,811 members withdrew NZ$1.8 billion to buy their first home[28]. New Zealand is now leaning harder on the default than on the subsidy. From July 2025, the government halved its own contribution to 25 cents for every dollar saved. It is raising the default contribution rate to 3.5% from April 2026 and to 4% from April 2028.

What Britain should take from all of this

Each country improved on the British original in its own way. Japan made its account permanent and easy to understand. Canada made withdrawals flexible. Sweden made tax so simple that savers rarely think about it. New Zealand made saving automatic. Each built its success around one account that most people understand. Britain can learn from all four. A single ISA could be as simple as the ISK and as flexible as the TFSA, and the option of investing through payroll.

A KiwiSaver for the ISA

Britain already knows that payroll defaults work. Auto-enrolment brought around nine in ten eligible employees into pension saving. Nest Insight's trials found that opt-out payroll saving into an accessible savings pot raised participation by around 50 percentage points compared with opt-in.[29] The missing piece is a legal basis. Deductions from wages normally need a worker's prior written agreement, which makes a true opt-out arrangement legally uncertain. *See the Light* called for opt-out workplace saving to be put on a statutory footing.

Our recommendations

HMT and the Department for Work and Pensions should:

- Explore auto-enrolled ISA saving and investing through payroll. This should start with pilots among employers who volunteer, backed by legislation giving opt-out payroll deductions a clear legal footing.

[28] https://www.fma.govt.nz/library/reports-and-papers/kiwisaver-report/
[29] https://www.pensionsage.com/pa/Compelling-evidence-for-wide-spread-use-of-opt-out-savings-approach.php

Chapter 4: The case for a single (non-property) ISA

The idea of a single ISA has been gaining ground. In June 2025, New Financial proposed merging the ISA family into one "investment and savings account".[30] It estimated that up to 2.7 million cash ISA savers could invest an extra £5.4 billion a year. In November 2025, the Social Market Foundation made the same case, pointing to Canada and Sweden.[31] This would be a step in the right direction for ISA simplification.

Our polling suggests the public is ready. More than twice as many adults support a single ISA (37%) as oppose it (17%). Younger adults are the keenest. Among 18 to 24 year olds, 47% support it and just 14% oppose it.

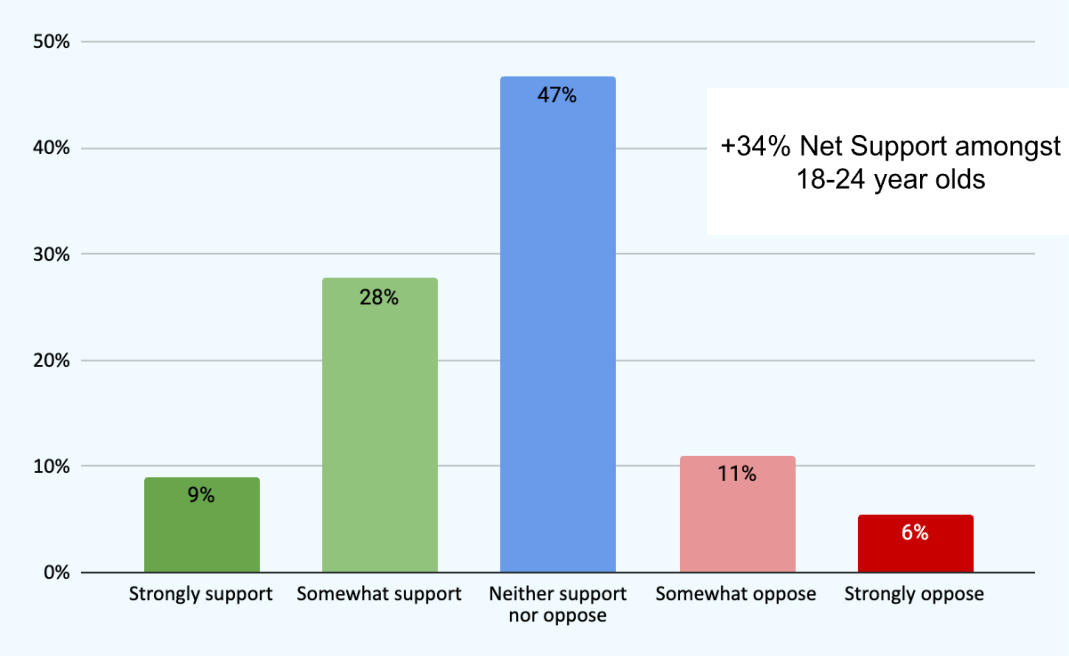

Figure 5, There are currently several different types of ISA available in the UK. For example, cash ISAs and stocks and shares ISAs. Some people have suggested simplifying this to a single ISA, which could hold either cash, stocks and shares, or a mixture of both. Would you support or oppose this change?

One account, one allowance

The single ISA would replace the cash ISA, the stocks and shares ISA and the Innovative Finance ISA with one account for adults. It would hold cash, investments or both, within the existing £20,000 annual allowance. Savers would decide the mix themselves and change it whenever they liked. There would be no product to choose at the start and no wrapper rules to learn. The question a saver faces would shrink from which ISA they need to how much they want to put away.

[30] https://www.newfinancial.org/reports/reforming-isas

[31] https://www.smf.co.uk/brits-have-430-billion-stuck-in-low-return-cash-savings-simplify-isas-to-get-us-investing-says-think-tank/

A shorter step from saving to investing: A single ISA would also make the step from saving to investing much shorter. Today, a cash ISA saver who wants to start investing usually has to open a second account, often with a different provider. If they want to move existing savings across, the transfer can take up to 30 calendar days. In a single ISA, the same move would happen inside the account they already hold. Many savers want a cash cushion before they invest. In a Moneybox survey of 1,000 cash ISA savers, 87% said they need a significant savings buffer before they feel comfortable investing[32]. The average threshold they named was £27,617. A single ISA lets savers build that cushion and start investing in the same place.

Flexible like a Canadian: Where a provider offers it, today's flexible ISA lets savers withdraw money and pay it back in the same tax year without using up their allowance. Pay it back after 5 April and that allowance is gone for good. The cliff edge discourages people from investing money they might conceivably need, because taking it out means losing the tax shelter forever. The single ISA should go further, following Canada. Money withdrawn should be capable of being paid back in later tax years, so that savers can use the account for a house deposit or an emergency without losing the long-term benefit. HMT may want to limit how far that room can be carried forward, to manage the cost. Even a modest version would make investing feel far less like a one-way door.

Keep the cash, keep the ambition: Budget 2026 was right to keep the full £20,000 cash allowance and to drop the 22% charge because it was always the wrong lever to pull. A single ISA would make both questions disappear. With one wrapper and one allowance, there is no cash sub-limit to police and no reason to tax cash held alongside investments. The single ISA would do the job the cash cut was meant to do by making it easy to move long-term money into investments. It would do that without penalising anyone who chooses to keep their savings in cash.

Fold the IFISA into the one that works: The Innovative Finance ISA was launched in 2016 to give peer-to-peer lending and crowdfunding a tax-free home. A decade later, only 5% of adults know it exists, and the number of accounts paid into fell by 30.8% in 2024-25.[33] Since April 2026, the IFISA has also been the only tax-free home for new purchases of crypto ETNs. These are listed, exchange-traded products that the FCA opened to retail investors in October 2025. HMRC moved them out of the stocks and shares ISA from 6 April 2026, and at the time no mainstream platform offered both crypto ETNs and an IFISA.[34] The result is a tax-free wrapper for a product that most investors cannot practically use. The Government should abolish the IFISA and allow its assets, including crypto ETNs, to be held in the single ISA. Fit for the Future sets out the wider case for treating crypto ETNs as mainstream investments.

Incentives over products: In his Budget speech, the Chancellor promised a "Starter ISA". The Budget document describes something more modest. It says the Government will "work with industry to explore a new ISA incentive for people investing in a stocks and shares ISA for the first time".[35] Startup Coalition supports the incentive. We oppose a new product. Only 1% of people can identify the correct range of ISAs on offer. A Starter ISA would be a sixth product open to new savers, with its own limits and rules, at the moment the Government should be removing products. We would support a bonus incentive scheme for first time investors instead.

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[32] https://moneyage.co.uk/savers-need-27k-confidence-cushion-before-investing-study-finds.php

[33] https://www.gov.uk/government/statistics/annual-savings-statistics-2026/commentary-for-annual-savings-statistics-september-2026

[34] https://moneytothemasses.com/news/uk-investors-unable-to-add-crypto-to-stocks-shares-isas-from-april

[35] https://www.moneysavingexpert.com/news/2026/10/cash-isa-limit-cut-cancelled/

Why now?

Money is already on the move. The case for building the destination has become more urgent. From April 2027, money left in a pension on death becomes subject to inheritance tax. Our polling finds that 42% of 25 to 34 year olds say the change makes them more likely to take money out of a pension and save or invest it somewhere else. Nobody in that age group can take money out of a pension for more than twenty years. The more telling figure is that 17% say they are more likely to pay less into it. Startup Coalition takes no view here on the merits of the inheritance tax change. The question is where the money goes. A cohort of younger savers is forming an intention to move retirement money into the only other wrapper available to them, and that wrapper is the one 1% of adults can describe accurately. Building the single ISA would give that money somewhere sensible to land. Leaving the maze as it is will send it into a savings account.

The design of the incentive will decide who benefits. If it rewards a minimum investment of several thousand pounds, or works only through providers able to absorb heavy integration costs, it will mostly reach people who were already close to investing. The firms that know how to reach first-time investors are the fintechs that built their businesses around them. The committee that shaped the Government's Financial Inclusion Strategy had no seat for fintech, even though fintechs have been responsible for so much of the financial inclusion of the past decade. The Treasury should not repeat that mistake. Fintechs should help design this first time investor incentive from the start.

Our recommendations

HMT should:

- **Start with the goal of simplifying the ISA landscape which could involve:**
  - Creating one ISA for adults that can hold cash, investments or both, within the existing £20,000 annual allowance.
  - Allowing money withdrawn from the single ISA to be paid back in later tax years, following Canada's Tax-Free Savings Account.
  - Abolishing the Innovative Finance ISA, and allow its assets, including crypto ETNs, to be held in the single ISA.
- **Deliver the first-time investor incentive as a bonus paid into any stocks and shares ISA or the single ISA**, rather than through a new Starter ISA.
- **Consult fintechs on the design of the first-time investor incentive announced at Budget 2026.**

Chapter 5: Home truths

The Lifetime ISA launched in April 2017 with two jobs. It was meant to help people under 40 save for a first home and for retirement. Savers can put in up to £4,000 a year and receive a 25% Government bonus, worth up to £1,000. They can withdraw without penalty to buy a first home costing up to £450,000, or after their 60th birthday. Any other withdrawal costs 25% of the amount taken out, which wipes out the bonus and takes a slice of the saver's own money too.

The LISA by numbers

For many savers the LISA has worked. A record 99,750 people used one to buy a first home in 2025-26, withdrawing an average of £15,407 each.[36] By 2024-25, 314,600 savers had used the LISA to buy a first home.[37]

For many others it has not. In 2025-26, 154,100 savers made unauthorised withdrawals and paid £119 million in charges.[38] The average unauthorised withdrawal was just £3,088, which suggests people dipping into modest savings when money got tight. The Treasury's own consultation found that withdrawal charges had hit 8% of all accounts opened in 2024-25.[39] It also found that "more LISA holders have lost a part of their original savings than have used it to purchase a house". The Treasury Committee concluded that the account's dual purpose increases the risk of savers choosing unsuitable investment strategies, and that the withdrawal charge is causing confusion.

The ISA designed for young adults is also unknown to most of them. Only 42% of 18 to 34 year olds told us they know the Lifetime ISA exists.

Budget 2026 made two changes. From 29 October 2026, savers who buy a first home above the £450,000 cap pay a reduced withdrawal charge of 20%.[40] That recovers the bonus and leaves their own savings intact. In the Chancellor's words, "if the home you want costs more than the limit, you will get back at least what you put in".[41] Startup Coalition welcomes that change. All other unauthorised withdrawals are still charged at 25%.

The second change is the First Time Buyer ISA, which will replace the LISA for new savers from April 2029.[42] It fixes several of the LISA's flaws. It has no upper age limit and no withdrawal charge. Its 25% bonus is calculated on the final balance, so savers are rewarded for their investment growth as well as their contributions. These are good changes. They also show that the LISA's problems could have been fixed.

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36 https://www.gov.uk/government/statistics/annual-savings-statistics-2026/commentary-for-annual-savings-statistics-september-2026

37 https://www.gov.uk/government/consultations/first-time-buyer-isa-consultation/first-time-buyer-isa-consultation

38 https://www.trustnet.com/News/13484394/lifetime-isa-users-pay-119m-in-withdrawal-charges/

39 https://www.gov.uk/government/consultations/first-time-buyer-isa-consultation/first-time-buyer-isa-consultation

40 https://www.gov.uk/government/publications/lifetime-isa-withdrawal-charge/reduce-lifetime-isa-withdrawal-charge-for-properties-over-the-property-price-cap

41 https://www.investmentweek.co.uk/news/4537982/budget-26-20k-cash-isa-annual-allowance-reinstated-starter-product-introduced

42 https://assets.publishing.service.gov.uk/media/6ae0cc8216428df53760625c/First_Time_Buyer_ISA_Consultation_-_Government_Response.pdf

Another Home ISA won't fix a bad Home ISA

The trouble is that the fixes arrive as a new product. Existing LISAs will carry on under the old rules, and LISA savings cannot be transferred into the new account. From 2029, a 30-year-old saving for a first home could hold a LISA and a First Time Buyer ISA at the same time, for the same purchase, under two different sets of rules. One pays its bonus every month, can also be used for retirement and charges 25% for the wrong kind of withdrawal. The other pays its bonus only when the purchase goes through, has no retirement option and charges nothing. Fewer than half of 18 to 34 year olds know the first one exists. Expecting them to master two home-buying ISAs at once is a lot to ask.

There is a subtler cost too. A LISA saver watches the bonus arrive every month, which is a powerful reason to keep going. A First Time Buyer ISA saver will see nothing from the Government until the day they buy. The reward is broadly the same on paper, but a bonus nobody can see is a much weaker nudge.

Keep pace with house prices: Wherever the bonus sits, the cap has to move. When the LISA launched in 2017, the £450,000 cap was set to cover the homes first-time buyers were typically buying. The average UK home then cost £220,094.[43] By August 2026, it cost £273,000.[44] Adjusting the cap for ONS house price inflation alone takes it to over £558,000 today.

The Government has kept the same £450,000 cap for the First Time Buyer ISA, while acknowledging that it "no longer reflects prices in some parts of the country".[45] The gap will widen before the new account opens. Savills forecasts UK house prices to rise by roughly 14% across 2027, 2028 and 2029.[46] On that path, the cap would need to rise to around £637,000 by April 2029 just to give first-time buyers the purchasing power the Government intended in 2017. Even on the OBR's more cautious forecast, it would need to pass £600,000.[47]

A frozen cap is a stealth cut. Each year, more ordinary first homes cross the line and more savers lose the bonus for buying in an expensive area. The Government should index the property caps on both accounts to house prices. LISA holders agree. In a survey of Moneybox LISA customers, 82% said the property price cap should rise in line with house price growth.[48]

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43 https://www.gov.uk/government/statistics/uk-house-price-index-summary-april-2017/uk-house-price-index-summary-april-2017

44 https://www.gov.uk/government/statistics/uk-house-price-index-for-august-2026/uk-house-price-index-summary-august-2026

45 https://assets.publishing.service.gov.uk/media/6ae0cc8216428df53760625c/First_Time_Buyer_ISA_Consultation_-_Government_Response.pdf

46 https://pdf.savills.com/June+2026+Mainstream+Forecasts.pdf

47 https://www.mortgagesolutions.co.uk/mortgage-news/2026/10/28/autumn-budget-2026-obr-expects-mortgage-payments-to-reach-highest-share-of-disposable-income-since-2009/

48 https://mortgagesoup.co.uk/bristol-leads-lisa-house-purchase-hotspots-as-activity-spreads-across-uk/

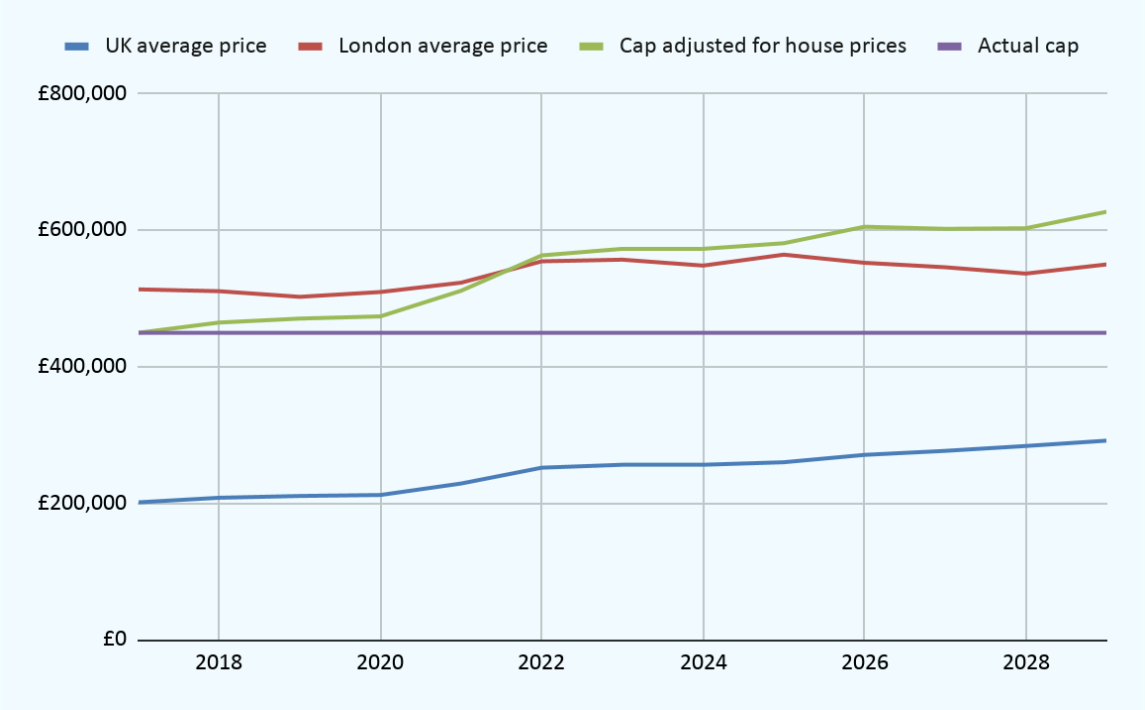

Figure 6, The £450,000 LISA property cap vs. the cap indexed to UK house prices and the London average house price, 2017-2029[49]

Our recommendations

HMT should

- Index the property caps on the Lifetime ISA and the First Time Buyer ISA to the ONS House Price Index. On ONS data alone, the £450,000 cap set in 2017 would be over £558,000 today, and on current forecasts it would need to be around £637,000 by April 2029.
- Apply the First Time Buyer ISA's improvements to the Lifetime ISA, rather than running two products side by side.
- If both products continue, let Lifetime ISA savers transfer their balances into the First Time Buyer ISA.

[49] The figures for 2017 to 2026 use the average price for all property types in the UK and in London in April of each year. They come from HM Land Registry's UK House Price Index (UK HPI), as published in HM Land Registry's UKHPI data tool in November 2026. These are the current revised figures, after the index was re-referenced in February 2025. They therefore differ from the headline figures published at the time: the UK average for April 2017 is now £201,407, against £220,094 originally reported. The indexed cap for each year is the £450,000 Lifetime ISA property cap multiplied by the ratio of that April's UK average house price to the April 2017 UK average price.

Figures for April 2027 to April 2029 are projections. They start from April 2026 and apply calendar-year house price growth forecasts, so each April-to-April step is weighted eight-twelfths to that calendar year's growth rate and four-twelfths to the following year's. The UK projection uses the Office for Budget Responsibility's October 2026 Economic and Fiscal Outlook: growth of around 2% in 2026, 2.5% in 2027 and 2.75% a year from 2028. The London projection uses Savills' latest mainstream forecast for London: -3.5% in 2027, 2.0% in 2028 and 3.5% in 2029. Savills does not publish a London figure for the rest of 2026, so London prices are assumed to be flat between April and December 2026. All figures are nominal and not seasonally adjusted. UK HPI estimates for the most recent 13 months are provisional and may be revised. Contains HM Land Registry data © Crown copyright and database right 2026.

Chapter 6: Start them young

The Junior ISA is Britain's best chance to build an investing habit before adulthood. In 2024-25, families paid £2.5 billion into 1.6 million Junior ISAs, an average of £1,570 each.[50] More than a third of that money (38.3%) went into cash, even though a child's savings will usually sit untouched for well over a decade.

Awareness is low among the people who should be using it. Fewer than half of parents of primary school children (46%) and secondary school children (49%) recognise the Junior ISA. The most aware group is the over-65s, two thirds of whom (67%) know it exists. That makes the rules on who can choose the account more important than they look.

Allow more than one Junior ISA

A child can hold one cash Junior ISA and one stocks and shares Junior ISA, and no more. Only a parent or guardian can open them. Relatives can pay in, up to £9,000 a year in total, but only into the accounts the parent has chosen. A grandparent who wants to invest through a platform they already use, or an aunt who wants to use a gifting app, has to pay into whichever account the parent happens to pick. The relatives most likely to know about the Junior ISA have the least say over where their money goes. The same rule makes it hard for families to switch providers. Money in a Junior ISA belongs to the child, and nobody can withdraw it before they turn 18. A family cannot empty the old account and start again somewhere new. Because a child can only hold one stocks and shares Junior ISA, the only way to switch is to transfer the whole account.

For example, fintech startup Prosper offers a Junior Stocks and Shares ISA with no platform fee and no minimum contribution. That suits families who want to put in small amounts when they can, rather than a set sum every month. A family that already has a Junior Stocks and Shares ISA elsewhere cannot open a Prosper account alongside it. They have to move the existing account through the official transfer process. HMRC rules allow up to 30 calendar days, depending partly on the old provider. Prosper does not charge families for the transfer, so it carries the cost of every account it brings across. For a challenger, the one-account rule makes each new family slower and more expensive to win.

Adult ISAs already allow more choice. Since April 2024, adults have been able to pay into more than one ISA of the same type in a single tax year. Children should have the same freedom. Allowing more than one Junior ISA per child, within the existing £9,000 allowance, would leave the tax relief on offer unchanged. It would let families use the provider that suits them best with more ease.

Britain has offered children a tax-free account since 2011. Other countries are now going further to bring children into investing. Japan will open NISA to children from January 2027. Teenage NISA accounts already almost quadrupled in the first half of 2026. In Sweden, more than 211,000 children under 16 have their own ISK. Britain already has the account, but it needs fixing to have real success.

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50 https://www.gov.uk/government/statistics/annual-savings-statistics-2026/commentary-for-annual-savings-statistics-september-2026

A child is a future investor

See the Light, the first Bullish Britain report, proposed Learn-to-Earn. The Government would pay £10 into a child's Junior ISA for each financial education module they pass, and HMRC would open a Junior ISA for every child who reaches Year 7 without one. Nearly two thirds (63%) of the public support giving secondary school children a small amount to save or invest each time they complete a set of financial education lessons.

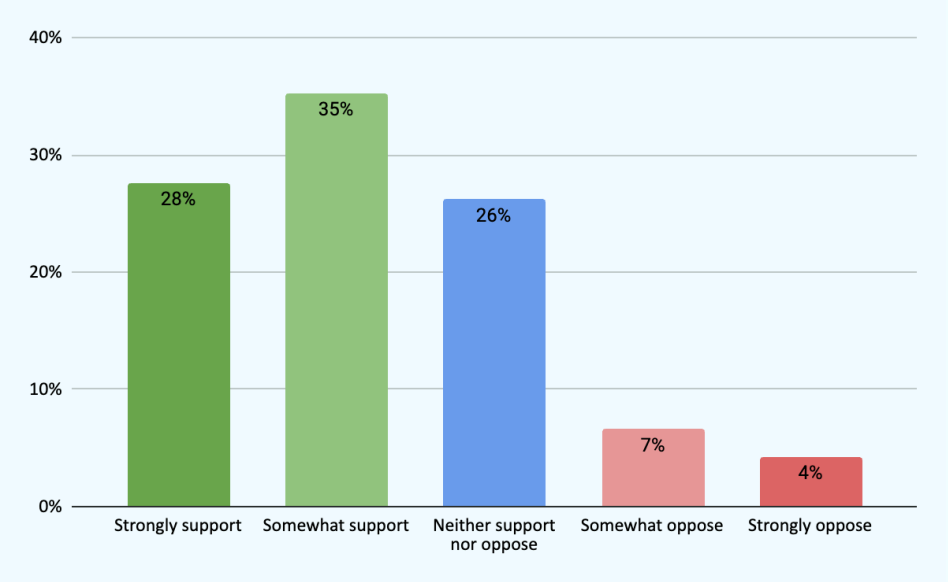

Figure 7, From 2027, the national curriculum will include financial education. Some people have suggested as part of this that secondary school children should practice the financial skills they learn by being given a small amount of money to save or invest each time they complete a set of financial education lessons. This would be paid into special tax-free accounts and each child would only be able to access the money in the account once they turn 18. Would you support or oppose this?

A Junior ISA that a child watches and adds to is worth far more than one that sits forgotten. More than 750,000 matured Child Trust Funds, worth over £1.6 billion, are still waiting to be claimed.[51] The same logic should, in time, extend to the Junior SIPP, because a child with a Junior ISA is a future pensioner.

Our recommendations

HMT should:

- Allow more than one Junior ISA per child, within the existing £9,000 annual allowance, so that families and relatives can choose their own provider.
- Introduce Learn-to-Earn, as set out in See the Light, and open a Junior ISA automatically for every child who reaches Year 7 without one.

51 https://www.gov.uk/government/news/government-steps-up-drive-to-reconnect-young-people-with-16-billion-in-unclaimed-savings

Conclusion

Britain has never had more ISAs or more political attention on retail investment. Yet fewer than one in ten adults would invest an unexpected £1,000.

The pattern of the past year is familiar. When the Government wants people to invest, it reaches for a new product or a new advert. Each one adds to a system that people already find impossible to navigate. Only 1% of adults can identify the ISAs that exist, and the Government has just announced two more.

Squirrelled Away argues for the opposite instinct. Take products away. Build one ISA that can hold cash, investments or both, and let savers move between them inside a single account. Let people take money out and put it back. Let them move their ISA within seven working days. Warn them when their cash is losing value. Reward their first investment without inventing a new account to do it. Let grandparents invest for a child through the provider they trust. Keep the home-buying bonus in step with the price of homes.

Each of these changes takes the public as it currently is, cautious about risk and short of time.

Savvy the Squirrel has a part to play. A national campaign can tell people their allowance and point them towards a simple first step. It can only do that once the first step is simple. That is why policy has to come first and mascots second. It is also why the Government needs a Retail Investment Champion who owns the whole journey from the advert to the account.

Squirrels are right to prepare for winter. A pound left in cash for twenty years, though, loses value every winter it waits. The final Bullish Britain report, Fit for the Future, asks what people should be allowed to invest in once they take the step, and why cash still gets a free pass. The test is simple. Ask British adults again in five years which ISAs exist. If the answer is still 1%, the country will still be lost in the maze.

STARTUP
C*ALITION