

NS&I Reveal Britons Not Yet Planning For New ISA Limits



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NS&I has revealed new research that shows people across Britain are not yet planning for the changes to ISA entitlements this year and risk missing out on tax-free returns. Just 15% of Britons surveyed say they understand the new limits, which enables individuals to save up to £10,200 per year tax-free.

Research shows that a quarter (25%) of those surveyed incorrectly believe [ISA](#) allowances will remain the same in the new financial year while 24% are aware new changes are due, but are unsure what these will be. A further 10% think the ISA limit will be higher for over 50 year-olds only, which is no longer the case once the changes come into effect

It is not just the changes to the ISA entitlement that Britons are unsure of, but ISAs in general. 16% of those who are aware of ISAs say the reason they haven't invested in an ISA is because they find it confusing, while one in ten people (10%) admit that saving money in an ISA this year has never occurred to them.

John Prout, Sales Director at NS&I said: "The fact that all interest earned in an ISA remains tax-free means it's a must-have product for people looking to maximise their hard earned savings. Understanding the allowances and reviewing the terms of the product is vital for savers. With less than two months to go until the end of the tax year, there is no time like the present for everyone to check their finances and plan to benefit from tax-free savings."

Uncertainty about ISAs can result in people failing to take full advantage of their entitlement. Just 16% say they will definitely use their full tax-free ISA allowance and feel it is important to do so. 15% of the population say they will take up a proportion, but do not expect to use all of it.

35% of people aware of ISAs have been put off the account in general by the current low ISA [interest rates](#) on offer, while under a third (29%) of people say they are not planning to use their full ISA allowance because they can't afford to. A similar number of people (31%) say the current climate and outlook for 2010 means they will look at other financial products, rather than ISAs. 29% say wider economic pressures have also led them to start diversifying their financial portfolio, perhaps a reason for not using the full entitlement.

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Notes to editors:
The Savings Survey (Previously the Quarterly Savings Survey)
The winter 2010 omnibus survey was conducted by TNS, amongst 2007 respondents between 29 and 31 January 2010.

About

NS&I:

NS&I is one of the UK's largest financial providers with almost 27 million customers and over £96 billion invested. It is best known for [Premium Bonds](#), but also offers Inflation-Beating Savings, Guaranteed Equity Bonds, cash [ISA](#) and Children's Bonus Bonds in its range. All products offer 100% security, because NS&I is backed by HM Treasury.

NS&I products are available over the telephone, internet, post and by standing order. They are also available through a network of Post Office® branches, and our product range guide is available in over 300 WHSmith high street stores.

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