



# QUICK GUIDE to ISAs

# Your guide to ISAs

Individual Savings Accounts (ISAs) are a flexible and tax-efficient way to save and invest. Whether you're saving for short-term goals, investing for the long term, or planning for your children's future, there's an ISA to suit your needs.

In this guide, we'll break down the different types of ISAs, dispel common myths, and help you decide which option might work best for you.

	<b>Best for:</b>	<b>Features:</b>	<b>Considerations:</b>
<b>Cash ISAs</b>	Short-term savings or emergency funds.	Tax-free interest, typically lower risk compared to other ISAs.	Interest rates may not keep pace with inflation.
<b>Stocks and shares ISAs</b>	Long-term investors seeking growth.	Tax-free growth and income on investments in shares, bonds, or funds	Investment values can go down as well as up.
<b>Lifetime ISAs (LISAs)</b>	First-time homebuyers or retirement savings (ages 18-39).	Government bonus of 25% on contributions (up to £4,000 annually).	Withdrawals for non-qualifying purposes incur penalties.
<b>Junior ISAs</b>	Saving for children under 18.	Annual allowance of £9,000; tax-free growth.	Funds are locked until the child turns 18.
<b>Innovative finance ISAs</b>	Peer-to-peer lending investments.	Tax-free interest from peer-to-peer loans.	Higher risk; not protected by the Financial Services Compensation Scheme (FSCS).

## FAQs

### Can I open more than one ISA?

Yes, you can hold multiple ISAs, but your total contributions across all ISAs cannot exceed the annual allowance (£20,000 for 2024/25).

### Are ISAs risk-free?

Cash ISAs are low risk, but stocks and shares ISAs and innovative finance ISAs involve investment risk. Always consider your financial goals and risk appetite.

### Can I transfer my ISA?

Yes, you can transfer ISAs between providers or types (e.g., from cash to stocks and shares). Ensure you follow the proper transfer process to maintain tax benefits.

### Are Junior ISAs just for parents?

No, anyone can contribute to a Junior ISA as long as the total contributions do not exceed the annual allowance.

## How to choose the right ISA for you

When selecting an ISA, consider:

### 1. Your goals:

Are you saving for a short-term need, like a house deposit, or investing for retirement?

### 2. Your risk tolerance:

Would you prefer the stability of a cash ISA or the growth potential of a stocks and shares ISA?

### 3. Your timeframe:

The longer you plan to invest, the more suitable a stocks and shares ISA might be.

## Speak to an adviser

Choosing the right ISA is a key part of building a tax-efficient savings and investment strategy. Speak to your financial adviser for tailored guidance to ensure you're making the most of your allowance.

## Disclaimer

The value of investments can go down as well as up, and you may not get back the full amount you invested. Past performance is not a guide to future performance, and past performance may not necessarily be repeated. Tax benefits depend on personal circumstances and current tax rules, which could change in the future. Information provided is for guidance only and does not constitute financial advice. Tavistock Investments Plc is authorised and regulated by the Financial Conduct Authority.