

ISAs - UK - November 2019

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“Although certain aspects of the product need reworking, the LISA is the most promising of the new ISA products that have been introduced in recent years. Getting on to the housing ladder remains a key priority for young people and many will be eager to take full advantage of the generous incentives attached to the account.”
– George Zaborowski, Senior Financial Services Analyst

This report looks at the following areas:

- **Innovative Finance ISAs were always destined to be a niche product**
- **A back-to-basics approach may be needed to simplify the ISA market**

After two consecutive years of decline, the value of ISA contributions grew by 13% during the 2017/18 tax year. This growth was primarily driven by stocks and shares ISAs, which have become more popular as a result of the low interest rates for cash products.

When it comes to the new ISA products that have become available during recent years, Mintel research indicates that the Lifetime ISA has the most favourable long-term prospects despite initially having faced heavy criticism from industry commentators. In contrast, the future of the innovative finance ISA is much less clear. During the past year the FCA has sent out several warnings cautioning consumers about the high-risk nature of underlying assets like peer-to-peer investments and is now considering what types of regulatory changes might be necessary.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Innovative finance ISAs could be on their way out
 New rules will restrict investor access to P2P investments
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64% agree that cash ISAs are less attractive than in the past

Savings Product Ownership

Seven in 10 UK savers own an ISA product

One in four savers have a stocks and shares ISA

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