



Press Release

For immediate release

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TISA responds to the Treasury's changes to the Lifetime ISA unauthorised withdrawal charge

Carol Knight, Chief Operating Officer at TISA, said: *"TISA has worked tirelessly to protect consumers by ensuring that financial products work for them, not against them, especially in uncertain times. The announcement today by John Glen MP that the Treasury is reducing the Lifetime ISA unauthorised withdrawal charge from 25% to 20% to help savers looking to access their money during COVID-19 is a fantastic step and will make a significant difference.*

"This reduction means that only the government bonus and any interest on that will be repaid. Any interest earned on the saver's original deposits will not be deducted. Until now, the rules have meant that if LISA holders cash in before the age of 60 or do not use the money to buy a first property, a 25% charge was incurred.

"We have worked closely with the Treasury and HMRC during this crisis to work out how best to help people that may be struggling and we fully support this temporary solution which allows savers to access their funds without being penalised. We will continue to work with HMT to help finalise operational details."

-ENDS-

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Notes for Editors

TISA's ambition is to improve the financial wellbeing of UK consumers by bringing the financial services savings industry together to promote collective engagement, to deliver solutions and to champion innovation for the benefit of people, our industry and the nation.

We do this by focusing on good consumer outcomes and harnessing the power of our broad industry membership base to deliver practical solutions, new digital infrastructure and by devising innovative, evidence-based strategic proposals for government, policy makers and regulators. This holistic approach to address the major consumer issues uniquely positions TISA to deliver independent insight, promote innovation and facilitate good practice.



TISA's rapidly growing membership is representative of all sectors of the financial services industry. We have over 200-member firms involved in the supply and distribution of savings, investment products and associated services, including the UK's major investment managers, retail banks, online platforms, insurance companies, pension providers, distributors, building societies, wealth managers, third party administrators, Fintech businesses, financial consultants, financial advisers, industry infrastructure providers and stockbrokers.

Our current strategic policy focus includes making financial guidance more widely available; financial education for young people; retirement savings and addressing consumer engagement, particularly for the vulnerable. These will form essential elements of - *Vision 2025* - TISA's strategic policy roadmap towards delivering a material impact in enhancing consumers' financial wellbeing.

Complementing our development of consumer policy and thought leadership, TISA has become a major industry delivery organisation for consumer focused, digital industry infrastructure initiatives (TeX/STAR, Digital ID, MiFID II and Open Savings & Investment). This reflects TISA's commitment to open standards and independent governance.

TISA is also recognised for the support it provides to members on a range of operational and technical issues targeted at improving infrastructure and processes, establishing standards of good practice and the interpretation and implementation of new rules and regulations. This work currently includes MiFID II, CASS, SM&CR and addressing cybercrime.

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