Response by TISA to Help to Save Reform: Consultation Response and Delivery Consultation

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About TISA

The Investing and Saving Alliance (TISA) is a unique, rapidly growing membership organisation for UK financial services.

Supporting the financial journey through life

Our ambition is to improve the financial wellbeing of all UK consumers by working collectively with the financial services industry to deliver solutions and champion innovation, for the benefit of people, our industry, and the nation.

We do this by working with our member firms to deliver practical solutions and devise innovative, evidence-based strategic proposals for government, policy makers and regulators that address major consumer issues.

TISA is a **not-for-profit membership organisation** and a trusted partner of key industry stakeholders in helping shape the future of the UK financial services and the environment in which we operate. **We have over 270 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, FinTechs, financial consultants, financial advisers, industry infrastructure providers and stockbrokers.

Our work, your influence

With a focus on three strategic pillars of work to best support the consumer and UK financial services, TISA has become a major industry delivery organisation for consumer focused and digital industry infrastructure initiatives. Our three pillars of work remain at the forefront of everything we do:

- **STRATEGIC:**
  Build **strategic policy initiatives that influence policy makers** regarding the financial wellbeing of UK consumers & thereby enhancing the environment within which the industry operates in the key areas of consumer guidance, retirement planning, later lifetime lending, vulnerable customers, financial education, savings and investments.

- **TECHNICAL:**
  Provide **expert technical support to members** on a range of operational and regulatory issues targeted at improving infrastructure and processes, establishing standards of good practice and the interpretation and implementation of new rules and regulations covering ISAs, Consumer Duty, client assets, responsible & sustainable investing, operational resilience, vulnerable customers, governance, conduct & culture, plus a range of other areas.

- **DIGITAL:**
  To transform our industry architecture by building **digital transformation initiatives** that are driving ground-breaking innovation. TISA has become a major industry delivery organisation for consumer focused, digital industry infrastructure initiatives, with projects including **Digital ID** and **Open Savings, Investments & Pensions (OSIP)**. This reflects TISA's commitment to open standards and independent governance.

More here: https://www.tisa.uk.com/about-tisa/

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Response Summary

TISA welcomes the opportunity to respond to HM Treasury's Help to Save Reform: Consultation Response and Delivery Consultation.

As outlined in our 2023 consultation response, TISA has been a supporter of the Help to Save scheme since the initial discussions with the industry and the government in 2016/17 and since the scheme's launch in September 2018. The results of the HMRC survey from 2021 suggest that the scheme has been successful to date albeit the take up of the scheme among the target market may have been a little lower than was originally hoped.

We are especially motivated by the scheme's objective of trying to establish and maintain a strong savings habit among the low-income target market, many of whom will not have previously saved on a regular basis.

We welcome the further extension of the scheme until April 2027 and the government's intention to continue the scheme beyond this date with an improved framework and we are keen to work with both the industry and the government to help promote the scheme and make improvements wherever possible.

We have not received any specific feedback from our member firms who may be interested in offering the scheme, post April 2027, so we are not able to provide any specific responses to the majority of the consultation questions which are aimed directly at those firms who are considering offering the scheme.

General feedback from the industry suggests that the restricted target market of the scheme may reduce interest due to the costs and resources required to set up and administer the scheme. We support the extension of the qualifying conditions, from April 2025, to include all Universal Credit claimants in work and also the government's intention to consider further expansion of the eligibility criteria in the future. We believe that further expansion and widening of the target market would increase the likelihood of third party providers wishing to offer the scheme.

We echo our views from our 2023 response in that the scheme would benefit from additional advertising/ marketing to help raise awareness of the scheme among the target market.

We outlined in our previous response that the current method of calculating the bonus is complex and difficult to explain, even to experienced savers and industry practitioners, so we strongly support the revised bonus calculation, paid every 6 months and calculated on net contributions in each 6 month period. We believe that the increased frequency of the bonus payments, from 2 years down to 6 months, will be an attractive feature for the target market and agree that this should increase flexibility for users to make withdrawals for emergencies.

We also support the payment of bonuses directly into the Help to Save account rather than payment into a separate bank account which is the current approach. Being able to clearly see the bonus payments within the account itself should help reinforce the benefits of the scheme and encourage further saving.

With reference to questions 9 and 10 in the consultation, we reinforce our stance from our 2023 response in that we would support the automatic transfer of matured funds into a suitable easy access savings product, which could include a cash ISA, should this be practical for scheme providers. We believe that such an

approach would reduce the likelihood of the matured funds being spent and help reinforce the ongoing savings habit.

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