Response by TISA to HMT & DMO Consultation on the UK Treasury bill market

Sophie Legrand Green, Head of Policy

February 2026

About TISA

Supporting the financial journey through life

The Investing and Saving Alliance (TISA) is committed to improving 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.

We care about the entire financial life of consumers: from their first savings account opened to ensuring people can age and retire with dignity. TISA believes that savings and investments play a significant role in the lives of people and small businesses. Consumers benefit when they put aside money for their future. Saving and investing can provide a buffer for emergencies; help people achieve big and small goals throughout their lifetime; and give people quality of life in later years.

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 260 member firms involved in the supply and distribution of savings and investment products and associated services.

Our work, your influence

Our policy work reflects TISA's broad scope of interests and aims on meeting the needs of UK consumers, members and our industry. From improving financial education, inclusion and accessibility, right through to savings, investments and retirement planning, the work we do with our members to **influence policy** is crucial in enhancing the industry we operate in and driving positive change.

As part of our commitment to delivering focused and impactful consumer outcomes, TISA's policy working groups have been structured into three distinct workstreams:

1. **Consumer Protection -** *Protecting the best interests of UK consumers in their financial journeys.*
2. **Consumer Access -** *Considering issues that could directly impact access to financial products.*
3. **Effective Products -** *Examining key considerations and legislation relating to products across the investing and saving landscape.*

All groups focus on both strategic and technical elements of policy/regulation. We provide a channel for firms to have their say on the policy we develop and present, contribute to our technical and regulatory interpretation work and, importantly, gain insights from other TISA members, policy makers, government and regulators.

Find out more about TISA here: **www.tisa.uk.com/about-tisa**

Contents

1 Recommendations..... 5

Recommendations

TISA is very supportive of the Government's objective of unlocking greater levels of retail investment in the UK. TISA has amassed a body of research that identifies the barriers to retail investing and has systematically worked to remove these barriers, for example, through our work on facilitating the Advice Guidance Boundary Review, conducting further research and consumer testing in respect of risk warnings, increasing the usefulness of performance disclosures and pushing for financial education to be on the national curriculum for all children.

We support the DMO and HMT's proposals to increase retail participation in T-bill auctions and the government issued debt market more generally. We strongly encourage the DMO to address the barrier posed by high minimum denominations. In the US, consumers can participate in auctions, bidding to own as little as $1 of US Treasury debt and receiving the investment on the same terms as institutional investors. We would welcome the UK taking the same approach. Maximising accessibility and fairness would allow more UK consumers to invest in the future of their country and would increase trust in the financial system. If HMT wanted to further incentivise retail participation in the T-bill market, they should consider addressing the tax treatment of T-Bills to align with the tax treatment of gilts.

In addition, we wanted to raise the Government's intention to reduce the allowance for Cash ISAs and the potential complexities and implications this may have for the DMO/HMT proposals. TISA's longstanding view has been that restricting the Cash ISA limit would not address the underlying barriers to retail investment and would instead increase the complexity of the Stocks & Shars (S&S) ISA regime. This additional complexity could directly undermine the DMO/HMT proposals and the Government's objective of unlocking greater levels of retail investment in the UK.

HMRC is currently considering whether to add restrictions to the assets that can be held within a S&S ISA, on the basis that "cash like" investments could circumvent the new £12k Cash ISA limit from April 2027. It is possible that HMRC could determine that short term gilts (i.e. including T-bills) and funds that hold government bonds (including T-bills) fall within the category of "cash like" investments and therefore would be incapable of being held in a S&S ISA. Given ISAs are a critical mechanism through which consumers invest, it would clearly undermine the broader Government and DMO policy intentions of increasing retail investment in and particularly, retail participation in the UK Treasury Bill market. T-Bills can provide a crucial role in anchoring consumer awareness and decision making, setting a clear baseline understanding of risk and reward. T-Bills could play an important role in increasing consumer awareness of investment risk, helping people to make more informed decisions about whether their money should be held in cash, or invested. TISA research has demonstrated the extent to which consumers overestimate the risk of investing, and increasing retail access to T-Bills, particularly when held in S&S ISAs, can help reset consumer expectations, increase consumer understanding and informed decision making. Allowing consumers to hold T-Bills in their S&S ISAs can help more savers become investors. We wanted to draw out the potential for conflict between these two policies to ensure that the Government was aware and could take steps to ensure the overarching policy objective is not undermined. TISA is in conversation with HMRC and HMT in respect of changes to the ISA regime and has also drawn this matter to their attention.

TISA would support a more informed approach being taken by HMRC & HMT in respect of changes to the ISA regime. We suspect the actual risk of consumers circumventing the cash ISA limit via S&S ISAs is extremely low, given current awareness and participation levels. This means that additional tests may be unnecessary and careful considerations should be given to ensure that any additional test or restriction is not harmful to the ISA brand or does not disincentivise new retail investment activity. This should be something providers

and the Government monitor, and if a problem does arise, the resultant policy intervention can be appropriately scoped and targeted. Such an approach would also allow the DMO & HMT to progress their proposals without unhelpful, conflicting HMT/HMRC policy.