Welcome to the first edition of ISA Roundup. We hope you find it useful, please let us know your feedback and let us know if you have colleagues who would benefit from receiving a copy.

ISA Statistics 2016/17

The annual ISA statistics were issued by HMRC on 31 January 2017. These statistics by the number of accounts subscribed to, the total amounts subscribed and the average subscription to each type of ISA are now available. The ISA statistics can be accessed here on the TISA website. For shares & stocks ISAs, in comparison to 2015/16, there is an increase in the number of accounts subscribed to, the total amount subscribed and the average subscription to each account whereas for cash ISAs, there is a reduction in both the average subscription to each account and the number of accounts subscribed to, peaking up at the end of the tax year in 2015/16. The reduction in these statistics can be explained to include the continuation of low interest rates and the introduction of the Personal Savings Account (PSA) in 2016.

The 2016/17 tax year saw the introduction of the new innovative finance ISA and this first year of operation is still quite early to take a true view. With just 2000 accounts linked to these investments, there are currently many new HMRC authorised innovative finance ISA managers preparing to join the ISA parties I think we can probably expect to see this to increase to these statistics for the 2017/18 tax year. For JISAs, around 974,900 and Junior ISA accounts were opened in the first 6 months of 2017 (2016/17) since the scheme was launched, up from 738,000 in 2015/16 although there was a small fall in the number of accounts subscribed and the average subscription per account.

Tax Status of ISAs after death – new rules!

April 2017 will see a change to the treatment of ISAs after the date of death. In summary, ISAs will maintain their tax efficient status until such time that the administration of the deceased’s estate is finalised and the former ISA (to be called the ‘continuing deceased account’) is closed by the ISA manager. These changes will impact on those individuals who have been beneficiaries of the former ISA and are eligible to be beneficiaries of the continuing deceased account. The changes are being made to the ISA rules with a key development to ISAs in the last 18 years in both structure and service delivery and where next for the ISA. There are going to be important changes to the way where beneficiaries will be asked their views on the biggest obstacles to ISA customers and the biggest obstacle to ISA managers. Breakout sessions during the conference will explore the key themes raised to identify pathways to explore and address those issues.

TISA’s First ISA Spring Conference

TISA is holding an interactive ISA conference in February 2018 in London and Edinburgh. This full day event will focus solely on the ISA and attendees will hear about current issues and key developments in both structure and service delivery in the last 18 years in both structure and service delivery and where next for the ISA. There will be an interactive element to the day where attendees will be asked their views on the biggest obstacles to ISA customers and the biggest obstacle to ISA managers. Breakout sessions during the conference will explore the key themes raised to identify pathways to explore and address those issues. This provides a unique opportunity for ISA managers to feed into a combined view of how best to address current issues and ensure popularity of the ISA.

ISA Repairs/Voids

Further details can be found on the TISA website here. Details will be uploaded shortly for dates and sessions in 2018.

Upcoming ISA Training Dates

26 October – ISA Repairs/Voids – Edinburgh
7 November – Lifetime ISAs – Edinburgh
9 November – ISA Key Facts – London
23 November – ISA – APS – London
30 November – ISA Transfers – Edinburgh
7 December – ISA Lifetime ISAs – London

TISA’s ISA Newsletter

TISA has expanded the remit of the Cash and Investment Savings Technical Committee to cover Policy matters while still retaining the focus on the technical matters and output that are key to our membership.

The new Cash and Investment Savings Policy Council will consider, advise and lead industry initiatives that impact on cash and investment savings policy in the UK for consumers and will act as a focal point and conduit for TISA on cash and investment savings matters. If you are a TISA member and would like to get involved in the new Council, please email engagement@tisa.uk.com.

Latest News

HMRC have recently been working in what they refer to as the discovery stage for Phase 2 which covers withdrawals in respect of bonus claims and first time residential property purchases ready for 2018/19. They will be liaising with the Law Society and other converging bodies to identify any property purchase process in further detail in the coming weeks. They are still accepting private beta registration applications and hope to be planning to offer the Lifetime ISA in the near future.

We will watch with interest to see how the Lifetime ISA develops and how many more ISA managers decide to take the plunge and offer a Lifetime ISA. TISA will be running some further updated Lifetime ISA workshops in November and December.

New HMRC ISA Team

HMRC is happy to receive queries from ISA managers through TISA or directly from any ISA manager. Email queries will be quick to be redirected to the appropriate person to answer if they are sent to: savings.audit@hmrc.gsi.gov.uk

HMRC’s Savings Technical team visited the TISA office in September and discussed a range of issues. The Savings Technical team included Andrew Kayley who joined the team in early July, He has swapped Charlie’s G&F Aid for Banck, Building Society.

TISA members who have queries about ISAs & Child Trust Funds should contact HMRC at: savings.audit@hmrc.gsi.gov.uk

ISA Guidance Notes – Change in format

TISA was informed several months ago that there was likely to be a change in the way the HMRC Guidance Notes for ISAs can be accessed on GOV.UK. There is currently a PDF version available which member firms appear to find extremely effective and helpful however, we are informed that this method will be discontinued in the near future. TISA has asked HMRC whether any alternative options may be available to retain the Guidance Notes in their current format.

HMRC have, to date, informed us that they are looking at improving their Guidance Notes for ISAs & Child Trust Fund Guidance Notes for providers in 2018. There is currently a PDF version available which member firms appear to find extremely effective and helpful however, we are informed that this method will be discontinued in the near future. TISA has asked HMRC whether any alternative options may be available to retain the Guidance Notes in their current format.

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On-line Learning and Savings Investments