

Individual Savings Account (ISA) Factsheet 2026/2027

ISAs are tax-efficient savings and investment accounts that allow your money to grow free from income tax and capital gains tax.

Type of ISAs

Stocks and Shares (Equity) ISA

A Stocks & Shares ISA invests in a range of assets, including shares, bonds, unit trusts and OEICs, and cash.

The value of investments can fall as well as rise. Past performance is not a reliable indicator of future returns.

Cash ISA

A Cash ISA holds savings in cash only but may offer fixed or variable interest rates. There may also be a fixed duration during which withdrawals cannot be made.

Help to Buy Cash ISAs (HTB)

Designed to support first-time buyers saving for a deposit:

- Government bonus of **25%**, up to **£3,000**
- Property value limit of **£250,000** (or **£450,000 in London**)
- Contributions limited to £1,200 initial deposit and £200 per month thereafter

Important:

- The ability to open a new HTB ISA closed on **30 November 2019**
- Existing holders can continue contributing until **November 2029**
- Contributions count towards your **£20,000 ISA allowance**

Innovative Finance ISAs

An Innovative Finance ISA allows you to lend money via peer-to-peer (P2P) platforms where money earns interest from loans to individuals or businesses.

Capital is at risk and returns are not guaranteed.

Lifetime ISAs (LISA) – simpler version to be implemented in April 2028

A **Lifetime ISA** is designed for first-time buyers or retirement savings:

- Available to open for individuals aged **18–39**
- Contributions up to **£4,000 per year** (until age 50) with a government bonus of **25%** (up to **£1,000 per year**)
- Contributions count towards your **£20,000 ISA allowance**

Withdrawals:

Tax-free for:

- First home purchase (up to **£450,000**)
- Individuals from age **60**
- Other withdrawals incur a **25% charge**

Transferring your existing ISA

You can transfer between ISA types without losing tax benefits:

- Cash ISA → Stocks & Shares ISA and Stocks & Shares ISA → Cash ISA
- Stocks & Shares ISA → another provider
- Lifetime ISA → alternative Lifetime ISA

Transfers do not count towards your £20,000 annual allowance. Investments may be sold and reinvested or transferred directly (where permitted). The tax-efficient status of ISA funds is fully retained.

Risks

The full product particulars supplied by the insurer or investment house should be read for specific details as this is only a summary. Once you have made the investment, its value can go down as well as up. Past performance is no guarantee of future performance. You may not get back the amount originally invested.

Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of, and reliefs from taxation are subject to change.

ISA Key Facts

Tax-efficient savings

An ISA is a tax-efficient way to save or invest, where:

- No income tax is payable on interest or returns
- No capital gains tax is payable on investment growth
- Withdrawals are tax-free (apart from the LISA)
- ISAs do not need to be declared on your self-assessment tax return.

Annual allowance (2026/2027)

You can contribute up to £20,000 per tax year across all ISAs.

Some providers offer Flexible ISAs, allowing you to withdraw funds and replace them within the same tax year without affecting your annual allowance.

Exceptions:

- You can only contribute to one Lifetime ISA per tax year
- Junior ISAs are separate and have their own rules and allowance.