



Making the most of the new 26/27 tax year

Give your investments a head start and future-proof your finances

The new tax year brings a fresh £20,000 Individual Savings Account (ISA) allowance for each individual, giving couples the potential to invest up to £40,000 between them, offering a valuable opportunity to shield your investments from capital gains and dividend taxes. With recent cuts to these tax allowances and increases to tax rates, the protection ISAs offer is more generous than ever.

Starting early in the tax year gives your investments a head start. By contributing at the beginning, your money has an extra 12 months to benefit from compounding, in which returns generate additional returns over time. Even modest early contributions can outperform last-minute deposits, as unused ISA allowances cannot be carried forward to future tax years.

STAY FOCUSED DURING UNCERTAIN MARKETS

Economic news, market volatility and global events can create uncertainty, tempting investors to delay. However, markets rarely move in a straight line, and history shows they tend to recover over the long term. Staying focused on your personal goals is far more effective than reacting to short-term fluctuations.

If you're hesitant to invest a lump sum, regular investing offers a practical alternative. By drip-feeding money into the market each month, you can smooth out volatility, maintain discipline and remove emotion from your financial decisions.

PROTECT YOUR WEALTH AND MAXIMISE FLEXIBILITY

ISAs are popular for their flexibility. You don't need to use the full £20,000 allowance immediately; you can build up to it gradually throughout the year, depending on what you can afford. As long as you contribute by 5 April, you'll use the full allowance.

If you hold investments outside an ISA, consider a 'Bed and ISA' strategy. This involves transferring investments from a general account into an ISA to keep them tax-protected.

PROGRESS COMES FROM CONSISTENCY, NOT PERFECTION

Making the most of the new tax year isn't about perfectly timing the market or investing a large sum on day one. It's about taking small, manageable steps tailored to your circumstances. Consistency, not perfection, drives long-term progress.

Whether you choose to contribute your maximum allowance early or drip-feed your cash over the year, the key is to establish a repeatable routine. Take time to review your strategy, set up regular contributions and give your money the best chance to grow.

By acting early and staying consistent, you can make the most of your ISA allowance and build a strong foundation for your financial future. ■

WANT TO MAKE THE MOST OF THE NEW TAX YEAR?

Please contact us to explore tailored strategies that could work for you and your family, and to structure your finances and secure your future.

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AN ISA IS A MEDIUM TO LONG TERM INVESTMENT, WHICH AIMS TO INCREASE THE VALUE OF THE MONEY YOU INVEST FOR GROWTH OR INCOME OR BOTH. THE VALUE OF YOUR INVESTMENTS AND ANY INCOME FROM THEM CAN FALL AS WELL AS RISE. YOU MAY NOT GET BACK THE AMOUNT YOU INVESTED.

