

Savers Are ISA Aware But Lost On Limits



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New research from Lloyds TSB shows that whilst the majority of people are aware of [ISAs](#), the change in ISA limits is causing some confusion.

Key research findings:
Just a tenth (11%) know what the current Cash ISA limits are Less than a tenth (9%) know what the new Cash ISA limit will be on 6th April 2010 at the start of the new tax year 86% of people know that an ISA is a savings account Just half of people (49%) are aware that ISA stands for Individual Savings Account Almost two thirds (62%) recognise that ISAs offer a tax free savings allowance

ISA Aware
Of people surveyed, 86% know that an ISA is a [savings account](#). The age group who are most aware are those aged 45 to 54 years (95%). A quarter (25%) of 18-24 year olds are unsure what an ISA is, with an iPhone application topping the list as the most common misconception (6%).

Although the majority of respondents are aware an ISA is a savings account, only half (49%) could correctly identify that ISA stands for Individual Savings Account. A fifth (22%) think it stands for Instant Savings Account, whilst a tenth (9%) think it is an Investment Standards Agreement.

Almost two thirds (62%) think Cash ISAs are a good way to save as tax is not payable on the interest earned in an ISA, but 7% wrongly think there is no limit on how much you can save in a Cash ISA. By not being fully aware of [cash ISA rates](#) and limits, people are not fully benefiting from the financial services available to them.

If you don't use it you lose it
Two fifths of respondents (41%) understand that if you don't pay in the full Cash ISA allowance during the year, you lose this allowance at the start of the new tax year and cannot top up previous years allowances.

Richard Davies, Senior Savings Manager from Lloyds TSB commented on the need to [compare savings accounts](#)

"It is really positive to see how many people are ISA aware and understand the benefits Cash ISAs offer. However, it is obvious that there is some confusion surrounding the increase in Cash ISA limits."

"Savers are welcome to visit our savings experts in branch to find out how they can make the most of their ISA allowance and what the new limits mean for them. We have also produced a handy savings map to help guide customers through their individual savings journey."

Cash ISA stands for **Individual Savings Account**. In a Cash ISA, you don't have to pay income tax on the interest you earn. The current Cash ISA limits are £5,100 for those born on or before 5th April 1960, and £3,600 for everyone else. On 6th April 2010, at the start of the new tax year, the limit will increase to £5,100 for everyone over 16.

If you don't use your annual ISA allowance by the end of the tax year then this can't be carried forward to the next tax year. ISA savers have only three weeks left to make sure they use their full 2009/2010 tax year allowance.

Note to Editors' Research carried on by ICM Research from 5th March to 7th March 2010. 1006 adults across Great Britain were interviewed.

Lloyds TSB Cash Saver ISA
The [Cash Saver ISA](#) allows you to earn a variable rate of 2.50% AER / Tax free with a fixed introductory bonus of 1.50% AER for the first 12 months from account opening. The account gives instant access to your money and can be opened with as little as £1. Interest is paid annually on the 31 March and you can transfer your existing ISA to maximize your tax free interest.

Lloyds TSB Two year Fixed Rate Cash ISA
Make the most of your tax-free savings with a Two Year [Fixed Rate Cash ISA](#). Earn up to 3.30% AER/Tax Free on balances of £30,000 or more. Accounts can be opened with a minimum deposit of £3,000.

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