

Individual Savings Accounts (ISAs)

Savers who save in an ISA don't have to pay any further tax on the income they receive within the ISA.

Savers born on or before 5 April 1960 (that is, aged 50 or over during the current tax year) can save up to £10,200. The full £10,200 can be invested in a stocks and shares ISA with one provider or up to £5,100 can be saved in a cash ISA with one provider, with the remainder being saved in a stocks and shares ISA with either the same, or another provider.

Savers who were born after 5 April 1960 can save up to £7,200. The full £7,200 can be invested in a stocks and shares ISA with one provider or up to £3,600 can be saved in a cash ISA with one provider, with the remainder being saved in a stocks and shares ISA with either the same, or another provider.

Types of ISA - cash or stocks and shares

There are two types of ISA

- cash
- stocks and shares

Savers can invest in two separate ISAs in any one tax year: one cash ISA and one stocks and shares ISA. They cannot invest in either two cash ISAs or two stocks and shares ISAs in the same tax year.

ISA managers

All ISA managers must be authorised by the Financial Services Authority (FSA) before HM Revenue & Customs (HMRC) approve them as an ISA manager. Approval does not mean that HMRC can guarantee:

- the ISA manager's performance
- that the investment will produce a satisfactory return

Because the ISA manager is authorised by the FSA, if things go wrong, the saver has access to:

- complaints procedures
- the Financial Ombudsman Scheme
- the Financial Services Compensation Scheme

Transferring an ISA

An ISA must be transferred directly between the old manager and the new manager. A saver **cannot** make this transfer themselves by closing the first ISA and paying the money into a new ISA. Instead, they must ask the new ISA manager to arrange the transfer. The old manager may charge for making the transfer - check the terms and conditions to find out.

A cash ISA can be transferred into either another cash ISA or into a stocks and shares ISA.

A stocks and shares ISA can only be transferred into another stocks & shares ISA.

All of the money saved in previous tax years can be transferred without it counting towards the savers annual ISA investment allowance.

Getting advice

If you have any questions about the tax rules for ISAs:

- visit our website at: [Individual Savings Account \(ISAs\)](#)
- call our ISA Helpline on Tel 0845 604 1701 (Monday - Friday, 8.30 am - 5.00 pm).

Please have the information about your ISA available when you call.

Where to get an ISA

You can get an ISA by going to an ISA manager. These include:

- banks and building societies
- National Savings and Investments
- financial advisers
- some supermarkets and retailers

Tax benefits of ISAs

- No tax payable on the income you receive from your ISA savings and investments.
- No tax payable on capital gains arising on your investments.
- You can take your money out at any time (but some types have a notice period).
- You do not have to tell us about income and capital gains from ISA savings and investments.

Moving abroad

You can only subscribe to an ISA if you are resident and ordinarily resident in the UK for tax purposes.

If you cease to be a UK resident while you already have an ISA open, you will no longer be able to put money into it. However, you will still be able to keep your ISA open and you will still be entitled to the tax benefits on investments held in the ISA. If you then return to be UK resident and ordinarily resident, you can start putting money in again.

Financial Services Authority

The Financial Services Authority (FSA) is the independent watchdog set up by the government to regulate financial services and protect your rights.

The FSA publish a booklet called The FSA Guide to Financial Advice. You can get it:

- by calling the FSA Consumer Helpline on Tel 0300 500 5000
- online at: [Getting financial advice](#)

Complaints about ISAs

The Financial Ombudsman service helps to settle individual disputes between consumers and financial firms. Their service is free.

To find out more information:

- call their Helpline on Tel 0845 080 1800
- email complaint.info@financial-ombudsman.org.uk
- visit [the Financial Ombudsman website](#)