



Established 2004

AUTUMN 2026 NEWSLETTER





Welcome



The summer of 2026 is now over, and it's been a notable season, not just for the heatwaves. For some, memories of the summer heat of 1976 spring to mind.

The anticipated fast-track to Prime Minister of Andy Burnham MP was completed in July along with his partial move to

Number 10 North, although some enjoyed the distraction from politics of the world football championships. With the political party conference season upon us, it will be interesting to see the new positions that parties take as we all look forward. The summer recess of Parliament was followed by some announcements on the path the new administration wants to take, along of course with much media speculation.

There are many events ahead for the balance of the year, with a UK Budget now confirmed for 28 October, and to be delivered by our new Chancellor, John Healey MP. As normal, we will aim to keep you updated on any Budget changes after the announcements. Shortly afterwards, in early November we have the mid-term elections in the US which may change the current balance of political power in America.

Over 2026, Bank of England base rates have remained elevated, and this has seen some good deposit savings rates being made available. Disappointing of course for those with variable rate borrowings as UK inflation remains above its preferred level with the conflict in the Middle East yet to be fully resolved.

In mentioning inflation, the official UK statistics might belie your own experience of cost increases in the shops and in home and car energy bills. More

to come in this regard we believe. Noting this, and in our experience, the 'bank of mum and dad', along with other relatives, appears to have been slightly less forthcoming in giving significant funds away to children and grandchildren as their own funds are spread thinner in recent times. Although some gifting might be tax efficient for inheritance tax (IHT) purposes, we expect IHT to feature on the agenda for the new team in Number 10 (north or south) in the autumn, along with other changes that might affect capital gains tax and council tax levels for higher value homes.

Many investment markets have continued to remain buoyant over the summer break and this is pleasing, although not a guarantee of future performance, and we do expect to see more volatility looking forward. At review and where appropriate, we have seen some clients use gains for their needs or rebalance their plans to maintain a required investment risk profile.

Moving into the second half of the tax year and the autumn, it is always a good idea to check tax allowances and to use these where possible and affordable. Other financial / legal housekeeping measures might include keeping Wills and Power of Attorney (both sorts) arrangements up to date and ensuring that loved ones know where they are held is also sensible. Many children are not aware of parental arrangements, and it is a good idea to bring them up to date, just in case.

However you plan your autumn, please do take time to review your overall financial planning as we head towards the end of 2026. Both I and the team look forward to helping you with your needs and objectives.

Keith Churchouse



It's all a blur! Pension tracing



It is rare these days to see an individual who has stayed with the same employer for the whole of their working life. Even if they have, the employer may have changed pension arrangements over the years, and a good example of this is the closure of many final salary schemes in favour of defined contribution / money purchase arrangements.

For those who have moved employer from time to time, keeping track of old deferred pension schemes might bring challenges. And for those who have moved around a lot, it might all have become a bit of a blur as to what they have tucked away. Tracing old pension benefits can often be achieved at no cost, and we have detailed a couple of free services below.

The value of funds available to many may not seem as high as hoped for and this can in itself be demotivating. We are normally advocates (where checked and considered) of maintaining a range of separate pension and investment plans to avoid the potential risk of 'all eggs in one basket'. Of course, there are many TV / media adverts which advocate the one pot route.

Usually, it's a range of sources that brings the overall retirement income and capital together, possibly in combination with a spouse or partner.

This might include:

- Auto-enrolment / workplace pension savings: virtually every company is now obliged to offer a workplace pension scheme. However, it is worth noting that many schemes operate minimum contribution levels, so plan values may not be high
- Old employer pension schemes: many people have more than one employer over their

working lives. If you think you have an old scheme but have lost it, there is a free pension tracing service provided by the government www.gov.uk/find-pension-contact-details

- In addition to this free service, MoneyHelper also offers some helpful guidance at www.moneyhelper.org.uk
- Personal pensions, stakeholder pensions, SIPP's
- State Pension: you can check your forecast here: www.gov.uk/check-state-pension
- Part-time / consultancy work (if you plan to phase your way into retirement)
- Your own accumulated savings (we would normally advocate maintaining 3-6 months' income as ready capital, even in retirement)
- Redundancy payment (the first £30,000 is usually paid tax free)
- Inheritance (although long term care costs are seeing this source of capital reduce for some and you also need to take into account inheritance tax charges. In our experience, not normally a reliable source of future funds)

These are only examples, and some of these sources are likely to be more certain than others. In addition, we would normally advocate entering retirement mortgage and debt free if possible.

It is important to start your pension planning process early in looking forward to when you might want to access pension benefits. Above all be prepared, either to manage expectations on what you might get, but most importantly to get the most from the sources that you know about...or may have forgotten about.

As with all our topical commentary, no individual advice is provided during this article but please do contact us if you would like help with planning your pension benefits looking forward.

They think it's all over! Well not yet for many



The world stage for football reached its climax in July, with the final being watched and celebrated by many millions, both at home and abroad. I understand that financially the tournament may well have been successful, although it may be many months until we know the real position.

Referencing successful outcomes for many millions of people, it has been fairly argued that pensions auto-enrolment for employees has been a great success since its inception over a decade ago. However, whilst some think that with the pensions box ticked and the need to review this is over, many realise (hopefully sooner rather than later), that there is still work to do and that it's not over yet.

For the self-employed (new or older), the loss of standard employment benefits that might be expected, such as pension accrual and health protections, is understood. Replacing these benefits can be low on the priority list for some self-employed people as they focus on building and maintaining their business and making ends meet.

Irrespective of the employment status of employed or self-employed, the key question is usually, are you paying in enough for your future? For the employed, if the statutory minimum is being paid, even with employer contributions, it may not provide a large enough pot to generate a comfortable income in retirement.

There are important points to consider when looking forward to your 'final':

- Affordability (especially with the costs of living rising) of increasing contributions
- How much do you want when you retire and what size of pot or pots do you need for this
- When do you want it, noting that the minimum pension age is increasing to 57 from 55 from 2028
- What other assets or incomes can you bring to your own financial tournament? Checking your State Pension is a great start, along with keeping an eye on any other pensions you may have

These might be basic pension planning questions to consider, but checking your position as soon as is possible, and regularly, is worthwhile to make you stay on the ball (pun intended!). A bit like the new hydration breaks that were used in the Americas, taking a few minutes out to ensure everything is working well could make a real difference.

The team at Chapters Financial will be happy to help you with your own enquiry about planning your pension benefits.



Investment Bonds – an option worth considering?



Readers of our newsletter will be aware that we are advocates of using annual tax allowances throughout the tax year where possible and prudent.

The obvious allowances are the annual ISA, capital gains and gifting allowances that many use to alleviate tax burdens in the future. Because there are limits on these annual allowances, the gradual effect of using these can feel slow to some, but nevertheless effective.

In addition, and based on current legislation, a saver (basic rate) can receive gross interest of £1,000 pa and pay no tax. Therefore, spreading interest-earning savings between partners/spouses can also be an effective tax saving option. Noting the higher rates of interest currently available, this position might become more important in the current economic climate. Another tax efficient alternative is National Savings & Investments (NS&I) Premium Bonds with a maximum holding of £50,000 and offering tax free winnings (of course not guaranteed, and no return in the first calendar month).

However, when considering investment funds outside pensions, and once the options noted above have been used, are there any other options that might be worthwhile considering? One notable option that some might find attractive from a tax perspective is an investment bond.

Investment bonds have their own distinctive structure and taxation treatment, as a whole of life policy funded by a single premium or one or more single premiums. There are no legislative limits on the amount that can be invested into an investment bond, although individual providers are likely to impose upper (and lower) limits. The bond can be held onshore or offshore, and in this article, we focus on onshore bond arrangements.

The bond has a life or lives assured and is normally segmented to give flexibility in the way future funds can be withdrawn. It is possible to take withdrawals of up to 5% pa of the original investment amount over 20 years with no immediate tax liability, and these 5% allowances are cumulative.

The withdrawals are tax-deferred, rather than tax-free, and therefore a liability to income tax may arise in the future when the bond is partly or wholly encashed. An onshore investment bond is deemed to pay income tax at 20% (notionally basic rate), and the bondholder only pays tax on bond income and gains when certain taxable events happen, known as chargeable events. For a basic rate taxpayer, a chargeable gain on encashment can be spread across policy years through top-slicing relief. This can reduce or negate the tax on gains where the full gain would take an individual into the higher or additional rate tax bracket.

Deferment of tax and simpler administration for the bondholder can make an investment bond attractive to individuals looking for a tax-efficient 'income', or to pass on wealth. As noted above, the facility to withdraw up to 5% pa of the investment amount could be a helpful and predictable addition to household revenue in the future. The 5% withdrawals taken do not need to be declared on any tax return as long as they stay within the limits.

If withdrawals above the 5% (cumulative) limit occur, or full encashment of a segment or segments is made, any gain would be taxed at your highest marginal rate, noting that a notional 20% tax is already deemed to have been paid.

There is a growing number of investment bond providers, and it is good to see market competition returning to this once popular area. Investment bonds are now viewed as a beneficial investment option following the reduction in annual tax allowances (such as capital gains) elsewhere.

Getting the most from your savings is important, as is the option to use your annual allowances. Looking at all options, including the potential option of offshore investment bonds, is part of the individual financial planning process and we are ready to help based on your needs and objectives.

Thinking ahead to ISA changes in the new tax year 2027/2028



With the summer heat only just behind us, it might be difficult to think forward to the autumn and the next Budget. We now have a new Prime Minister, and a new Chancellor in place to announce the new regime's policies.

Budget announcements are rarely without tax changes, and this may affect investment planning looking forward. Some changes to tax efficient ISA plans have already been announced (in autumn 2025) for the tax year 2027/2028 ahead and we reflect on these changes here.

Under age 65 restrictions on future cash ISA investment

Although not guaranteed, stocks and shares investment in the longer term is likely to outperform deposit (cash) type investments. To encourage growth into the longer term, the government has introduced a range of changes, and some might

argue restrictions, on how ISAs are invested and maintained from the new tax year 2027/2028. This is aimed at encouraging stocks and shares investment.

One restriction is the limit that an under 65-year-old can invest into a cash ISA allowance of £12,000 overall annually. You can still use the full allowance of £20,000, although the balance of £8,000 must be into a stocks and shares or other non-cash ISA. You can of course place £20,000 into a stocks and shares arrangement as long as the overall limit in a tax year is not exceeded.

Tax charge on uninvested cash in stocks & shares ISA

As you might expect, there are new rules which will minimise the opportunity for the lower cash ISA limit to be circumvented, while preserving the flexibility needed for legitimate investment activity within non-cash ISAs.

From 06 April 2027, interest earned on uninvested cash held within a non-cash ISA (e.g. a stocks & shares ISA) will be subject to a flat rate 22% tax charge.

This is to discourage the holding of cash within a stocks & shares ISA and is designed to encourage people to invest in stocks and shares.

If there is an element of cash, and if interest is received on this, there may be a tax charge and, if so, this is paid directly to HMRC by the ISA manager. It is not declared on a tax return.

There are other investment considerations to these ISA changes, such as the protection of your funds should a provider fail.

Financial Services Compensation Scheme

Most ISA providers are authorised by the Financial Conduct Authority (FCA), although always check first before investing.

For stocks and shares ISA arrangements, should a firm fail, the FSCS may be able to compensate for a valid claim of up to £85,000 per eligible person, per firm.

Looking at cash ISAs, for banks, building societies and credit unions, up to £120,000 per eligible person, per firm is covered.

Further details may be found here: www.fscs.org.uk/what-we-cover

Summary

Planning ahead is always worthwhile. For many, investing in an ISA each year is a habit which has allowed funds to accumulate in tax-efficient arrangements. This habit might be disrupted by these rule changes at the start of the next tax year and being ready and planning ahead is always worthwhile.

Please do speak to the team at Chapters Financial about your investment planning needs and objectives.

Chapters Financial and Greener Guildford



We were pleased to be involved in this year's Guildford In Bloom initiative, as we have in past years.

Guildford town centre is being transformed through Greener Guildford, a new community-led initiative dedicated to revitalising neglected planters and troughs whilst encouraging local people and businesses to take pride in their surroundings.

Created through a partnership between Guildford in Bloom, Experience Guildford and Zero Carbon Guildford, the initiative aims to restore overlooked

planted areas across the town centre and surrounding neighbourhoods, creating greener, more welcoming public spaces for residents and visitors alike.

Chapters Financial has recently become the sponsor of the planters at Milkhouse Gate and Chapel Street, demonstrating our commitment to supporting local environmental initiatives and enhancing the town's public spaces.

Keith noted in a recent press release, "Guildford is a beautiful and vibrant town, created by a historic mix of green spaces and urban development amongst other things. This aspect offers the opportunity for the simple greening of urban areas through the Greener Guildford initiative.

The various planters around the town that have recently blossomed through this initiative, have brought colour and vibrancy to some areas that may not have benefited otherwise. Good for both the environment and people of Guildford.

We send our thanks to the team behind the Greener Guildford initiative for making this opportunity happen and it's great for our business to be involved."



And finally...every day's a school day: talking to children about money



Most of our younger generations are returning to school, college, and university as we head towards the autumn following the summer break.

However, perhaps you as a parent or grandparent can add on an early lesson before the new term begins with some money guidance and an overview of how it all works.

Many schools and higher education facilities do not teach money planning on a regular basis, and quite a few youngsters reach university and adult life with limited knowledge of the money system. Keith Churchouse joined a bank aged 18, so had to learn fast!

Our skills relating to money begin to develop between 3 and 7 years of age with habits starting to form by the age of 7. Children learn from what they see you do, so starting early helps build good habits.

The MoneyHelper website, a free government backed website, looks at useful ways our younger generations can be introduced to money planning early.

The MoneyHelper 'Talk Learn Do' guide supports parents and carers with talking to children about money, to help children learn through conversations, games and activities.

It covers topics such as pocket money and saving, explaining digital money, teaching children about online scams and in-app purchases, and tailoring conversations about money by age group.

Teaching children and teenagers about money helps them build the skills and knowledge they will need to manage their money effectively, both now and in adult life. Research has shown that how we behave around money as adults is learnt in early life, through observations of the world around us.

It might be interesting to reflect on your own money habits, good or bad, and how these may have developed.

More information can be found at www.moneyhelper.org.uk

Summary & Review

Please do pass our details on to contacts you may have that may benefit from our service.
We are always pleased to receive referrals.

Please contact the team at Chapters Financial; Keith, Vicky, Esther, Catherine or Suzanne on 01483 578800 or by email at info@chaptersfinancial.com to discuss your requirements and to book a meeting or financial planning review.

If you would like to receive this information in email format, please let us know.



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