

## UK Savers Boost Cash ISA Deposits by £2 Billion Amid Reform Speculation

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British savers deposited over £2 billion more into cash Individual Savings Accounts (ISAs) in the three months leading up to July than during the same period last year, according to recent data released by the Bank of England. The sharp increase in contributions comes amid speculation surrounding possible reforms to the popular savings vehicle.

There had been growing anticipation that the government might lower the annual limit on cash ISAs, potentially reducing it from its current level of £20,000 to as little as £4,000, in the weeks before Chancellor Rachel Reeves's Mansion House speech last July 15. The proposal, reportedly under consideration by some policymakers, aimed to encourage more individuals to invest in stocks and shares ISAs instead. Such a shift was seen as a potential measure to support the revitalisation of the London Stock Exchange, which has struggled in recent years with diminishing investor confidence and a lack of major listings.

Despite the speculation, the Chancellor's Mansion House address did not include any announcement of changes to the ISA structure. Nevertheless, the rumoured reform appears to have prompted a precautionary surge in deposits, as savers sought to maximise their tax-free allowances before any potential limits were introduced.

Cash ISAs remain a popular choice among UK households due to their low risk and tax-free interest, especially during periods of economic uncertainty. However, financial experts and market proponents have argued that encouraging a shift towards equity investments could provide a broader base of support for domestic capital markets and foster greater long-term growth potential.