

## **FIRST-TIME BUYERS MAKING MORE SACRIFICES BUT STILL MISSING OUT**

- **More than one in four saving for a deposit have moved back with parents and 30% are not going on holiday**
- **One in three are not aware of the ISA bonuses available to them and less than half are using them**

Nottingham, UK, 13 September 2018 - First-time buyers are missing out on Government bonuses available through Lifetime ISAs and Help to Buy ISAs despite making major sacrifices to achieve their property dream, new research <sup>(1)</sup> from The Nottingham Building Society shows.

More than one in four (26%) would-be first-time buyers say they've moved back in with parents so they can save as much as possible while 30% have stopped going on costly holidays.

Around 61% say they have cut back on socialising while 55% have cut general spending on themselves and loved ones. Around one in 12 (8%) have even postponed starting a family or getting married while 7% have sold their car and now rely on public transport so they can maximise their savings.

But The Nottingham's research found one in three (32%) saving to buy their first home in the next five years have not heard of helpful accounts that can boost their savings, such as the Help to Buy ISA, and less than half (48%) have taken advantage of a Government scheme. Savers aged 18 to 24 are the least likely to know about financial benefits of ISAs that are available with 44% admitting they're not aware.

HMRC figures <sup>(2)</sup> show 166,000 Lifetime ISAs (LISAs) worth £517 million and averaging £3,144 per account were opened in the 2017/18 tax year but hundreds of thousands are missing out.

The Nottingham is supporting first-time buyers further by providing free access to its whole of market mortgage service, that usually costs £249, to its LISA savers following the launch last month.

**The Nottingham's Chief Operating Officer, Simon Taylor, commented:** "First-time buyers face a lot of challenges getting a deposit together, so it's important to us to raise awareness of all the help and financial benefits that are on offer with the right accounts.

"Our research shows people are making financial sacrifices to get on the ladder and they deserve some help. Thanks to the significant bonuses available, paying into a government-backed savings account, such as a Lifetime or Help-to-buy ISA, will enable first-time buyers to save a deposit more quickly or put down a larger deposit which can increase their options.

"The help isn't just there for first-time buyers either as the Lifetime ISAs can be used by savers wanting to boost their retirement savings also."

First-time buyers are eligible for up to £1,000 of cash bonuses every year and The Nottingham is one of just two providers to offer the Cash LISA, and the only provider that allows customers to open the account with just £10 face-to-face via one of its 67 branches. As well as the 25% bonus, The Nottingham will pay 1.00% AER interest tax free, on the savings balance every year.

The account was created for those aged 18-39, who are either saving for their first home or retirement <sup>(3)</sup>. Account holders can save up to £4,000 every year, with a 25% state bonus being paid monthly, on funds deposited in the previous month, until the account holder turns 50, when they will no longer be able to make deposits, but interest will continue to accrue.

For example, an individual saving to buy their first home of £184,000[3 (UK average) would need to save a 10% deposit of £18,400. After saving the maximum annual amount of £4,000 for four years a customer would have a balance of over £20,000 in their LISA. A couple saving for a 10% deposit (where both are first time buyers), who collectively add £8,000 to their savings (Sole accounts as LISAs cannot be held in joint names) each year would reach their goal after just over two years with a Lifetime ISA.

With 67 branches across 11 counties, those interested in a Lifetime ISA are encouraged to [visit the website to find their nearest branch](#) and make an appointment to open an account. Alternatively, those outside of the branch network wanting to register their interest for an online application can visit the dedicated online pages and submit their details.

**ENDS**

**Notes to editors**

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- (1) 506 first-time buyers were interviewed online between April 5<sup>th</sup> and 16<sup>th</sup> 2018 by independent research company Consumer Intelligence
- (2) <https://www.gov.uk/government/collections/individual-savings-accounts-isa-statistics#history>
- (3) The product has a 25% charge associated with any withdrawals that are not an eligible life event (first house, aged over 60, terminal illness and deceased). Investors can pay in up to £4k per tax year into their Lifetime ISA and the government will pay a 25% bonus on a monthly basis from 6th April 2018. Customers cannot pay into their Lifetime ISA from the age of 50+ or earn the 25% bonus. The 25% withdrawal charge is on everything (deposits made, bonus and interest). You may get back less than you paid in.

**About The Nottingham**

The Nottingham is an award-winning building society and estate agency operating online and via its network, spanning 67 branches across 11 counties. The eighth largest building society in the UK by assets, with the fifth biggest branch presence, The Nottingham offers a broad range of building society services such as mortgages and savings as well as independent financial planning, whole-of-market mortgage advice and local estate agency services.

Founded in 1849, The Nottingham is a mutual building society owned by its members with a long and proud history of offering financial support and advice to local communities. Through its Doing Good Together programme, the Society has donated over £800,000 to help communities in its heartland prosper.

[www.thenottingham.com](http://www.thenottingham.com)