

## **SEVEN TIMES MORE PEOPLE CHOOSING LIFETIME ISA OVER HELP-TO-BUY ISA IN 2019 SO FAR**

The Nottingham Building Society has released figures that show new ISA savings product, The Lifetime ISA is up to seven times more popular than its sister product, the Help-to-Buy ISA.

The building society launched the Government-backed savings product in branches last August and the online version in March this year. Another benefit for first-time buyers opening their LISA with The Nottingham is when they come to buy their first home, they can speak to a Nottingham Mortgage Services adviser who will compare thousands of mortgages from across the market and find the right deal, potentially at no extra cost.

Jenna McKenzie Day, Senior Savings Manager at The Nottingham commented: "We're not surprised by the statistics because we know LISA is a genuinely beneficial account that in many cases is helping people buy their first home sooner. A large majority of those opening a LISA with The Nottingham are first-time buyers planning to use the funds for their first home\*. That means potential bonuses of up to £1,000 a year are available for every £4,000 saved."

McKenzie Day continued: "The UK is waking up to these benefits and with the Government still planning to pull the Help-to-Buy ISA in November this year, this will only gain momentum. Since the start of the year\*\*, we have seen over 7 times as many Lifetime ISAs opened compared to the Help-to-Buy ISA, so it's clear that the LISA is primed to fill the gap that Help to Buy will leave when it's stops in November."

"Although there are more first-time buyers opening the account, it doesn't mean they won't turn into retirement savers. That's why it's called a Lifetime ISA - you can continue saving into it once funds have been used for a house purchase. Switching to a long-term savings goal means people can continue to benefit from the Government bonus payments and work towards boosting their retirement pot with the same account."

The Government has confirmed it will go ahead with plans to stop accepting new applications for the Help-to-Buy ISA from 30 November this year.

The Lifetime ISA account was announced by the Government in 2017 for those aged 18-39, who are either saving for their first home or retirement and later life (post-60). Account holders are able to save up to £4,000 tax-free every year, with a 25% state bonus being paid annually until the account holder turns 50, when they will no longer be able to make deposits. Other withdrawals will usually mean a 25% Government charge, so you could get back less than you put in. Full terms and conditions apply.

### **ENDS**

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\*Based on LISA customers also getting mortgage advice from The Nottingham

\*\*In Q1 2019, 7.1 times more people opened a LISA compared to Help to Buy ISAs at The Nottingham.