

Alliance Trust Savings reveals saving habit starts early

Submitted by: pr-sending-enterprises

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As JISAs pass their first anniversary, analysis of Alliance Trust Savings customer data reveals that nearly a third of Junior ISA (JISA) holders are one year old or under (29%), with 13 year olds the next most popular age (12%). The most common customer location is South West London with 7.5% of customers living in that postcode, while Edinburgh is second with 5% of customers residing there.

By starting early and maximising the JISA subscription allowance each year, parents investing with Alliance Trust Savings (<http://www.alliancetrustsavings.co.uk/>) could build a substantial savings pot of £117,616 for their child over an 18 year period*. Alliance Trust Savings charges for its administration on a flat rate fee basis and does not retain any commission payments from fund providers.

Garry Mcluckie, Head of Platform at Alliance Trust Savings commented: "It is great to see that parents are saving for children from an early age. If parents start saving in a Junior ISA (<http://www.alliancetrustsavings.co.uk/investments/isa/junior-isa/>) from their baby's birth, they could have a considerable nest egg by the time they are 18, which will come in useful for university fees or getting a foot on the housing ladder.

"It is also good to see that parents with older children are taking advantage of JISAs, having missed out on Child Trust Funds. Whatever the child's age when the investment starts, JISAs offer the advantage of straightforward tax efficient savings that can lead to a tidy sum by the time they reach 18. We believe the Government could do more to encourage the take up of Junior ISAs and we would urge them to revisit the rules around Child Trust Funds and allow these investments to be transferred across to Junior ISAs to ensure a generation of children are not locked into defunct products that no provider is prepared to invest in, bringing about the very real prospect that these investments are potentially left to wither on the vine and result in consumers having less choice and flexibility."

The data Alliance Trust Savings found the top 10 locations for ATS JISA holders are south-west London, Edinburgh, west London, north London, Tonbridge, Guildford, Kingston upon Thames, north-west London, Reading and Aberdeen.

Notes to Editors:

*Source: Internal Alliance Trust Savings Data

*This figure is based on £3,600 (single annual payment) being subscribed into an stocks and shares ISA (<http://www.alliancetrustsavings.co.uk/investments/isa/stocks-shares-isa/>) each year from the year the child is born until age 18. It is assumed that the annual JISA limit increases by 2% per annum (inflation). The fund has an AMC of 0.75%. Projections assume monies are retained in the fund for the term stated and an annual growth rate of 5% applies. Each year Alliance Trust Savings applies a £12.50 dealing charge to invest the JISA subscription into the required fund. The figures take into account a £48 annual charge which reflects the JISA charge of £12 per quarter. These figures are for illustration purposes only and actual returns may be significantly different.

Investments can go down as well as up and investors may not get back what they paid in.

The content of this press release is based on current understanding of HMRC regulations. Tax advantages of ISAs may be withdrawn at any time.

About Alliance Trust Savings:

Alliance Trust Savings is a leading provider of SIPPs, ISAs and Sharedealing Accounts. Alliance Trust Savings was voted the Best User Experience by the Platform and was Highly Commended in the Aberdeen Platform Awards 2012. More information on Alliance Trust Savings and their products is available at www.alliancetrustsavings.co.uk. As at 31 October 2012, Alliance Trust Savings administers approximately £4bn of assets on its platform.

Alliance Trust Savings is a subsidiary of Alliance Trust PLC. Alliance Trust PLC was founded in 1888 and has grown to become the UK's largest generalist investment trust by market value.

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