

30th July 2019

Dear Mr Javid

ISA Simplification – One ISA

I set up AJ Bell, one of the UK's largest investment platforms, 24 years ago and today we administer over £50 billion of savings for both advised and non-advised customers in the UK. During that time, I've learnt that one of the main issues preventing people saving more and hence a key contributor to the savings gap in the UK, is complexity.

As the newly appointed Chancellor I believe you have an opportunity to radically simplify the rules around Individual Savings Accounts (ISAs) which, along with pensions, are the main vehicle people in the UK use to save for their futures.

ISAs started life as a very simple, tax efficient savings product. Over the years, various changes and additions to the product have made them unnecessarily complicated, with at least six variations in existence depending on how you look at it. People now have to choose which ISA suits their specific needs and often they can't decide, which leads to them doing nothing and not saving.

We believe a much simpler system, based around a single ISA product would mean that the only decision people need to make is to open an ISA and start saving. A single ISA can still cater for all the outcomes of the existing versions but without requiring the customer to make the decision when opening an account.

The enclosed policy paper outlines our vision for One ISA and how the existing versions can be consolidated into a single product. We believe this would be an extremely positive and popular change that would be welcomed by consumers, financial advisers and ISA managers. What's more, we think it can be implemented in a way that is cost neutral to the Government.

The policy paper has been drafted by Peter Hopkins, our technical director, who led the pension simplification project at HMRC which resulted in the new pension rules that came into effect on A-day (6 April 2006).

Peter and I would be very happy to meet with you and your team to discuss this vision in more detail and how it could be implemented, with the ultimate aim of helping consumers to save and closing the savings gap in the UK.

I recognise some regulatory alignment may be required as part of this proposed simplification process so I've sent a copy of this letter to the FCA.

Kind regards



Andy Bell BSc. FIA
Chief Executive

cc: Chris Woolard, Director of Strategy and Competition at the FCA