

People Need To Be 'Tax Savvy' With Their Finances

Consumers across the country could be placing unnecessary financial burdens upon themselves and their family by not taking full advantage of the tax breaks available to them, it has been suggested.

September 13, 2007 (FPRC) -- According to research carried out by Unbiased.co.uk, less than three-quarters of new parents (71 per cent) with children eligible for a child trust fund (CTF) have actually taken out such an account. Meanwhile, less than half those who have opened a scheme since 2005 have made full use of their £1,200 funding allowance per year. With this equating to an overall tax waste of £125 million, if Britons were more prudent with their finances, the funds could have been used to service demands on their spending such as utility bills, mortgages and personal loans repayments instead.

Commenting on the figures, David Elms, chief executive of Unbiased.co.uk, said: "The government introduced child trust funds as a way of helping parents plan for their children's futures. However, our research has shown that parents are not making the most of this opportunity. Parents don't have to pay tax on the interest earned on a CTF account and by not using their full funding allowance each year they may potentially be gifting the taxman more money than necessary."

Mr Elms added that there has been a "steady increase" in the level of tax Britons throw away every year. Overall, he claimed that the country is set to waste some £7.9 billion over the course of 2007 - the highest figure recorded since the company launched its TaxAction campaign 15 years ago. As a result, the chief executive reported that those looking to reduce the level of tax they waste each year, which could help them put more money either into savings or paying off credit card and loan debts, should take the time to visit an independent financial adviser who can help them "to become tax savvy with your finances".

Research from the company also showed that Britons could save some £463 million by making sure that all self-assessment tax forms are completed correctly and are received ahead of the January 31st deadline. With paperwork received after this date incurring a fee of £100, making sure that documents are filled out correctly and on time could help consumers avoid being hit with unexpected fees. Findings from Unbiased.co.uk also showed that optimising payments in company and personal pension schemes, as well as making additional voluntary contributions, could save people up to the tune of £739 million.

If such action is taken, it could well be possible that borrowers will be able to free up more money to service various demands on their spending, for instance mortgage bills and loans, which in turn could see them finish making payments in advance and grant them financial freedom sooner. Earlier this month, the results of a study by the Motley Fool revealed that after meeting various economic goals, such as saving into pension schemes and completing loans and credit card repayments, many Britons are looking to 'treat' themselves.

About a third (31.1 per cent) aim to travel after completing their monetary objectives, while one in five look to renovate or redecorate their house, with cheap loans being one way in which such expenses could be financed.

All About Loans providing you with breaking finance news.

Contact Information

For more information contact Abbi Rouse of All About Loans (<http://www.allaboutloans.co.uk>)

Keywords

[personal loans](#)

[loans](#)

[cheap loans](#)

You can read this press release online [here](#)