

People ‘Need More Encouragement To Save’

The vast majority of Britons believe that the present tax regime should offer fairer rewards, a new study shows.

March 17, 2008 (FPRC) -- In research carried out by Abbey Savings, it was revealed that some 85 per cent of people think that the government needs to do more to make sure tax legislation rewards those who work hard and save significant amounts of money. More than half (57 per cent) of those questioned claimed that the availability of more tax breaks in a general sense will allow them to put cash away.

The financial services firm also pointed out that the amount of tax-free savings available through individual savings accounts (Isas) is set to grow. From next month, the overall allowance on Isas is to be increased to 7,200 pounds. Meanwhile, the amount of money that can be saved into cash-based Isas is to go up by 600 pounds from 3,000 pounds to 3,600 pounds.

However, only one out of three (34 per cent) people think this will have an impact on their capacity to save money. Meanwhile, some 35 per cent of respondents cite income tax as the main factor impacting upon their ability to put cash into savings vehicles. An estimated 19 per cent reported that tax on interest is having an effect on them setting money aside for later life. The study also revealed that more than half of Britons with savings and investments are unaware how much tax they are paying for such products.

Following on from difficulties with saving money, it is possible that consumers encounter problems with meeting demands on their spending in later life. Such areas could well include repayments on personal loans, the cost of property repairs or higher than expected household bills.

Furthermore it was revealed that 74 per cent of Britons think that first-time buyers saving to make their initial steps on the housing ladder should be able to do so on a tax-free basis. An estimated 87 per cent of those questioned, meanwhile, state more tax breaks should be available.

Commenting on the figures, Reza Attar-Zadeh, director of savings and investments for Abbey, said: "There is a clear feeling that the current UK tax regime doesn't go far enough in encouraging people to save. Our research shows that increasing the tax-free savings allowance further, or indeed abolishing tax on savings completely, would encourage the majority of Brits to save more for the future."

Those looking to increase the amount of money available to save may wish to think about looking into the benefits of using a consolidation loan. In applying for this type of loan, borrowers can merge numerous demands on their finances into a single low-cost monthly repayment. This could allow them to generate more disposable income, cash which could then be invested into savings schemes. A debt consolidation loan may be of assistance to a significant number of people after a recent Lloyds TSB study showed 46 per cent of Britons do not have any type of Isa. It was also revealed that one in six of people with this savings product claim to not save the maximum allowance although they have enough money to allow them to do so.

Loan Arrangers providing you with breaking debt consolidation loans news.

Visit their website where you can compare loans and find the best rate to suit your requirements.

Contact Information

For more information contact Mark Dawson of Loan Arrangers (<http://www.loan-arrangers.co.uk>)

Keywords

[personal loans](#)

[consolidation loan](#)

[compare loans](#)

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