

NEW LIFETIME ISA IS FSCS PROTECTED

Ahead of the launch of the Lifetime ISA, FSCS reminds consumers that their money will be protected

On 6 April 2017 the Lifetime Individual Savings Account (LISA) will launch in the UK. The LISA is a long-term tax free savings account open to consumers aged between 18 and 39 (on launch date). LISA account holders can put in a maximum of £4,000 a year and the government will pay a 25% bonus on any contributions up to that limit.

The Financial Services Compensation Scheme (FSCS) will protect money that is put into a LISA. For cash amounts this limit will be up to £85,000, while the protection limit for investments held in a LISA will be £50,000; these are the same limits for cash, and stocks and shares ISAs respectively.

Mark Neale, FSCS Chief Executive, said: “FSCS protects people’s savings when their bank, building society or credit union fails. I would like to remind people that the new LISA is also protected under the scheme, so savers can put money aside safe in the knowledge that their money is protected. Consumers can check what else they are covered for by visiting our protection checker at www.fscs.org.uk/protected.”

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Notes to editors

About FSCS

1. FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. FSCS is funded by the financial services industry and protects investment business, deposits, home finance – mortgage – advice, and general insurance and insurance broking. FSCS can pay for financial loss if a firm cannot pay claims against it. We are independent, and do not charge individual customers for using our service.
2. Before FSCS can declare a firm in default and pay compensation, it has to be satisfied the firm cannot pay claims because of its financial circumstances, and has no current prospect of being able to do so.
5. For more information on FSCS, please visit www.fscs.org.uk

About the Lifetime Individual Savings Account

The Lifetime ISA is a new longer-term tax-free savings account that gives you a government bonus of 25% of the money you put in, up to a maximum of £1,000 a year. For more information on the Lifetime Individual Savings Account visit: <https://lifetimeisa.campaign.gov.uk/#saving>