Credit: Head over Heels

NEWS ROUND UP

Counting billionaires?

Lord Kinnnock, the former Labour Party leader, revived talk of a wealth tax over the summer, an idea that last appeared in the wake of the pandemic. While the government refused to be drawn on the possibility, they will be aware that the Commons Public Accounts Committee discovered HMRC does not actually know how many billionaires there are in the UK.

Important October tax dates

There are two key tax dates in October:

- **5 October** is the deadline for registering with HMRC for self assessment and a 2024/25 tax return, if you have not registered before. You can check on you.gov whether you need to register.
- **31 October** is the final date for filing a paper self assessment return for 2024/25. If you file online, you have another three months' leeway.

✣ *The Financial Conduct Authority does not regulate tax advice. Tax treatment varies according to individual circumstances and is subject to change.*

Company cars return

New HMRC data shows that company car ownership is on the rise after declining by a quarter in the second half of the 2010s. The increase has been driven by electric vehicles (EVs), which now account for 41% of the company car population. The tax advantages of salary sacrifice for EVs have played a major part. However, the government is tripling EVs' taxable benefit over the next four years.

INVESTMENT

Savings or investment? Shifting from cash to stocks

The government is keen to encourage savers to invest more of their money into stocks and shares to help boost growth.

A CAUTIOUS NATION

UK households had just 32% of their savings in stock market investments in 2023 – outside of their pension funds – a figure which has been in decline for over ten years.

The Chancellor, Rachel Reeves, is hoping new rules might encourage people to invest more. The government will roll out 'targeted support' from next year, narrowing the gap between personalised financial advice and more generic guidance.

Banks and other financial companies will be able to make product recommendations, including information about potential investment opportunities.

A NEW APPROACH TO CONSUMER ADVICE

Reeves also criticised the risk warnings that are required on all investment products. She told the City she'd like to see a shift towards "informing rather than warning" as a way to encourage people to be more adventurous with their longer-term savings.

The Chancellor also floated the idea of an advertising campaign to promote the benefits of investing. This has drawn comparisons to the 'Tell Sid' advertising campaign of the 1980s, which encouraged millions of consumers to buy shares in newly privatised utilities.

Given the high proportion of cash savings, there may be good reasons to consider equity-based investments, particularly if you're looking to build wealth for the future.

Most people will invest in both cash and equities so may want to speak to an adviser about the best mix to meet both longer- and shorter-term savings goals – and to help ensure they are not taking too much, or too little risk with their money.

✣ *Investing in shares should be regarded as a long-term investment and should fit in with your overall attitude to risk and financial circumstances.*

Investments do not offer the same level of capital security as deposit accounts. The value of the investment and the income from it can fall as well as rise and investors may not get back what they originally invested.

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