SRC Wealth Management

Bulletin

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SUMMER 2026

IN THIS ISSUE:

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Happy 100th birthday?

Sir David Attenborough's 100th birthday celebrations received extensive media coverage in May this year. Centenarians are, to use Attenborough terminology, a rare breed; but how rare?

The last time the Office for National Statistics (ONS) examined the question was 2023, when it estimated there were 16,140 centenarians in the UK, more than double the number in 2003. Unsurprisingly, female centenarians outnumbered their male counterparts by 4.5 to 1. However, the number of male centenarians has been increasing at a faster rate than females; in 2003 the women outnumbered the men by 8.6 to 1.

> *A man aged 40 today has roughly a 1 in 20 chance of becoming a centenarian, whereas a 40-year-old woman has a 1 in 10 chance.*

Coincidentally, shortly after Attenborough celebrated his birthday, the ONS issued its latest biennial update on life expectancy in the UK and refreshed its online life expectancy calculator. If you want to know how long on average the ONS projects someone of your age and sex will live, the calculator provides one simple number, with no decimal places to worry about. But it's an answer that needs treating with care, as it's an average for the UK population and, by definition, about half of the population will outlive the average.

Alongside life expectancy, the calculator also gives your probability of matching Attenborough's 100-year achievement and, more realistically, reaching age 90. For example, a man aged 40 today has roughly a 1 in 20 chance of becoming a centenarian, whereas a 40-year-old woman has a 1 in 10 chance. For 90, the corresponding figures are roughly 1 in 2.5 and 1 in 2.

If those odds surprise you, then you might want to revisit your retirement planning to ensure that you do not outlast your retirement fund. After all, very few of us in our 90s will be able to supplement our pension income with royalties and fees from nature documentaries...

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PENSION

The shape of pensions to come

The latest tome of pensions legislation could bring major changes to your pension arrangements in coming years.

The Pension Schemes Act 2026 spent over 10 months winding its way through parliament and, by the end of 2030, will have reshaped the structure of pension provision.

Bigger is better By 2030, schemes will generally need to have at least £25 billion in their main default fund or have £10 billion and a credible plan to reach £25 billion by 2035. At present there are 2,000 schemes which have £10 billion of assets in total.

Value for Money (VFM) The Act introduces a new regime to address the performance of DC occupational schemes, similar to one currently being developed by the Financial Conduct Authority for personal pensions. A scheme that is judged to be 'not delivering' VFM must take remedial action which may ultimately mean transferring its members and assets to a better-performing scheme.

Credit: Lordn/Shutterstock.com

Small pots Currently, if someone changes employer, by default they normally leave the pension benefits they have built up in their former employer's pension scheme. Small pension pots have become scattered across providers, often offering poor value. The Act's solution is to require automatic consolidation of small pension pots worth £1,000 or less in a consolidator scheme that meets the VFM requirements.

Guided retirement Converting a pot of money into a stream of retirement income is challenging for many. To ease this problem, the Act places a new duty on the trustees of DC schemes to provide default 'pension benefit solutions'.

Overall, the Act makes a valiant effort to address some of the issues that have been created by automatic enrolment. However, relying on default actions should not be regarded as a satisfactory substitute for personal advice.

✣ *The value of your investment, and the income from it, can go down as well as up and you may not get back the full amount you invested.*

Past performance is not a reliable indicator of future performance.

Occupational pension schemes are regulated by The Pensions Regulator.

FRAUD

Investment scams on the rise

Savers and investors should exercise extra caution as the cost of financial fraud rises.

The National Fraud Database reports that 444,000 cases were recorded in 2025 – the highest number in a single year.

Many increasingly sophisticated frauds specifically target investors, with the City of London Police estimating than £2.4m a day was lost in investment scams last year.

A range of scams has been developed to target both older and younger investors.

Older targets

Older savers need to watch out for pension liberation scams, which claim – wrongly – that you can either access pension funds early or receive a higher return by transferring your money into a new account or fund they recommend.

If the fraudsters invest this money at all, it's likely to be in high-risk, high-charging funds, often based overseas, where there is a real danger you can lose significant amounts. Many people have seen their retirement savings disappear completely.

The rise of 'finfluencers'

Younger investors are more vulnerable to targeting from so-called 'finfluencers' on social media platforms.

Up to two in five people may now seek financial guidance or information on social media, leaving them exposed to poor-quality advice and potential scams. Some social media personalities may make false and unsubstantiated claims about likely investment returns. In some cases they have been paid by a third party to promote products online, which is illegal under UK financial regulations.

Concerns about the proliferation of the 'finfluencers' has led to more robust enforcement action in the UK, with seven reality TV stars in the UK being fined.

As with all financial planning, encouraging discussion with a professional is highly advisable.

✣ *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.

Past performance is not a reliable indicator of future performance.

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

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TAX

Another Making Tax Digital reminder

As the next deadline nears, many landlords and self-employed workers who should have signed up by April have not yet done so.

Anyone who is self-employed and/or a landlord with gross total profits exceeding £50,000 in 2024/25 has had to comply with Making Tax Digital (MTD) for income tax self-assessment rules from 6 April 2026. There should be 864,000 taxpayers registered for MTD and preparing to send their first quarterly update by 7 August. By mid-April, registrations had only reached 250,000, of which most had come from accountancy firms and tax agents.

The good news is that for 2026/27 there will be no penalties for missing update due dates if you have not yet registered. The bad news is that all four quarterly updates must be submitted before it's possible to submit a 2026/27 MTD self-assessment return.

Contact your local tax office to see what this means for you.

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

INVESTMENT

The investment World Cup

Can investors learn lessons from football fans? Those watching the World Cup this summer might be wishing investment markets followed similar predictable rules.

This year's World Cup has been expanded to 48 teams — pitching footballing minnows, such as Haiti, Curacao, and Jordan up against perennial favourites Brazil, Germany and Argentina.

You don't need to be a football pundit to predict the likely outcomes of these matches. But second-guessing investment markets is much harder, particularly with geopolitical tensions triggering periodic bouts of volatility.

Oil prices have risen sharply following the outbreak of hostilities in the Middle East, initially causing share prices to fall on many stock markets – echoing behaviour seen after Russia's invasion of Ukraine. In both cases, however, stock markets recovered relatively quickly, despite oil prices remaining elevated and slow political progress towards permanent ceasefires.

Investors can find it difficult to judge how specific markets or sectors will react to such global events. Evidence suggests that reacting to short-term news is rarely a winning strategy when it comes to investment.

Playing the long game

There is an old stock market adage that it's 'time in the market' rather than 'timing the market' that delivers results. When it comes to football, tournaments often produce early shocks, but the eventual winners will be teams that produce consistency, even with the odd loss along the way.

This same wisdom applies to investing. If you invested £1,000 in the FTSE All Share at the start of 1986, and left it for 35 years, it would have been worth £19,452 at the start of 2021. This period encompassed the dotcom bubble, the 2008 financial crisis and Covid-19 crash. If investors missed the 10 best days of the stock market over that 35-year period, the same investment would be worth just £9,932 by 2021. Missing the best 30 days would reduce it to £4,264.

Spreading your investment

Another key pillar is diversification. The World Cup has expanded its global reach this year, and investors may benefit from adopting a similar approach.

> *If you invested £1,000 in the FTSE All Share at the start of 1986 it would have been worth £19,452 at the start of 2021.*

Given the media prominence of American tech giants you might assume the US market to be the best-performing stock market. In fact, Argentina topped the five-year league table (to 31 May 2026), with annualised returns of 27.69%. This was followed by Peru, Greece and South Korea – names few pundits would predict.

Over the longer term there are perhaps a few more familiar table-toppers: Taiwan secures the number one position for best performing market over 10 years, and the US comes in fourth. Holding a diversified global portfolio allows investors exposure to these smaller countries, who may burn brightly for shorter periods of time.

Geopolitical events and market sell-offs create plenty of drama, just as football tournaments produce unexpected results. The team that lifts the trophy this summer will have remained focused on their long-term game. Investing rewards the same composure.

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SAVINGS

How to supercharge your Junior ISA

Many parents don't realise they can turbo-charge their children's tax-efficient savings in the year they turn 18.

The standard ISA allowance is currently £20,000 a year, but 18-year olds can also benefit from the full Junior ISA allowance of £9,000 in the same tax year. This creates a one-off opportunity for parents, or grandparents, to shelter £29,000.

To maximise both, the Junior ISA needs to be funded before the child turns 18, with the regular ISA taken out between the child's 18th birthday and the end of that tax year.

Money saved can be invested in either shares or cash or both, but from April next year, the maximum cash limit on a regular ISA will be £12,000 for those aged under 65.

Parents should remember that once a child turns 18, that young adult has full control over their savings plan. While many may use funds to pay university fees or save for a future house deposit, others may choose to spend it differently.

While this allows parents to build future savings for their children, HMRC is attempting to reunite young adults with an estimated 750,000 unclaimed Child Trust Funds(CTFs), by writing to thousands of 21-year olds. CTFs pre-date Junior ISAs and were opened for children born between 2002 and 2011, with the government contributing £250. It's estimated there is £1.6bn sitting in these 'lost' accounts, with an average balance of £2,200.

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PLANNING

Inflation makes a stealthy return

Recent good news on inflation is likely to change once the effects of the Iran war take hold.

"I know the cost of living is still a number one concern for households."

The Chancellor expressed her concern for working families the day after the Office for National Statistics (ONS) published April's inflation data showing the yearly rate, as measured by Consumer Prices Index (CPI), had fallen by 0.5% to 2.8%.

However, Rachel Reeves was not wrong to talk about the impact of the cost of living:

- April's drop in the CPI was largely due to a statistical quirk. Each April, water and sewerage bills have their yearly price increase and the quarterly Ofgem price cap for gas and electricity changes. Both revisions were much less significant in 2026 than 2025, together accounting for nearly all that 0.5% fall in yearly inflation.
- Economists at the Treasury, Bank of England and elsewhere expect inflation to rise because of the Iran war. Higher fuel costs are expected to work their way through the economy. A good example is that Ofgem price cap, which will jump by 13% on 1 July.

Even if your earnings keep pace with inflation, then the static personal allowance and tax thresholds, frozen by the Chancellor until at least 2031, mean your after-tax income will not – unless you're a non-taxpayer.

On a longer-term perspective, inflation that runs consistently above 2% can undermine your financial planning unless you take action to adjust for it. For example, if inflation had been 2% a year between January 2020 and April 2026, prices would have risen by 13.2%. In fact the CPI increased by 31.3%.

That pace of increase over little more than six years could mean that the level of your family's life cover or your retirement savings target needs to be reviewed now...before the next round of inflation bites.

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

TAX

Making the most of charitable donations for IHT planning

The value of legacies to charities has risen as more people look to incorporate charitable giving into their estate planning.

Gifts to registered UK charities made during a donor's lifetime, or left as a legacy in their will, are not included within the value of your estate for inheritance tax (IHT) purposes.

Many people choose to leave a legacy after they die, and it's estimated that about a third of people aged 40 and over who already support a charity, and have made a will, include a charitable donation, with this number rising to around 50% of wealthier individuals. Last year the value of such donations rose to £980m, a £20m increase on the year before.

Solicitors report that this increase is partly due to people looking to reduce their IHT liability. Charitable giving is likely to see further growth as more individuals are affected when unspent pension funds fall into the scope of IHT from next year. A reduced rate of 36% applies to an estate where at least 10% of the net estate is left to a UK charity, rather than the full 40% rate.

Lifetime gifts

Gifting money to charity as a lifetime gift may reduce the value of your estate. But if you also use tax-efficient schemes, such as Gift Aid, you can maximise the value of this donation to your chosen charity. An estimated additional £560m a year could be generated through these schemes. Gift Aid allows registered UK charities to reclaim basic-rate tax on donations. The scheme means that for every £100 donated the charity receives £125, at no extra cost to you. What's more, higher-rate taxpayers can claim the additional tax relief back for themselves – so it's a benefit to donors too.

This doesn't just apply to donations to major national charities such as Cancer Research or Oxfam. Gift Aid works for one-off payments, such as sponsoring a friend running a marathon, or can be added to annual memberships to museums, galleries and other arts institutions.

There are other tax-efficient ways to give to good causes. Some employers offer Payroll Giving, allowing you to make regular charitable donations from your salary before income tax is deducted, meaning higher-rate taxpayers don't need to claim back additional tax relief through self-assessment.

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NEWS IN BRIEF

News round up

NS&I ups its rates

The government set National Savings & Investments (NS&I) a higher net fundraising target for 2026/27. NS&I first responded by reintroducing Green Bonds at an uninspiring three-year fixed rate of 3.82%. It then improved the fixed rates on British Savings Bonds (including a three-year rate of 4.45%). Finally, it upped its variable rates and increased the Premium Bond prize fund rate to 3.8%, with the odds of a monthly win shortening to 22,000 to 1.

The top tax takes

In early May, HMRC published tables showing its initial estimates of tax receipts in 2025/26. Three taxes – income tax, national insurance contributions and VAT – accounted for 75.8% of the total. Add in corporation tax and the tally rises to nearly 86%. Those proportions are no surprise – for the last ten years the pattern has been very similar. The quartet's dominance helps explain why the Chancellor, constrained by manifesto tax pledges, has to be ever more creative raising additional revenue.

Pensions and inheritance tax

In May, HMRC published a 'technical note' on how inheritance tax will be collected on pensions from 2027/28. The note says the process may involve personal representatives asking pension providers to withhold up to half of the payment due to beneficiaries, pending payment of tax. That alone could be a reason to review your will and who you wish to administer your estate

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