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All

The end of rip-off charges?

While companies and service providers can no-longer charge customers for using a credit or debit card there are a range of unintended consequences that highlights the tendency towards 'sound-bite-grabbing' politics. Yes so-called rip-off charges may now be outlawed but one immediate effect of the new law is that it is no longer possible to pay your tax bill online direct to HMRC. Many retailers, especially the large ones, will of course simply find other ways of passing the costs on.

Investor / Saver / Retired

ISA slump

Cash ISAs have been a popular go-to savings account for people who are looking to take advantage of their tax-free allowance, but since the Bank of England cut interest rates to 0.5 per cent in March 2009 cash Isa rates and savings rates generally have dwindled. With a historic low of 0.93 per cent returns, Cash ISAs experienced their worst year on record in 2017, with average returns at In contrast, the average stocks and shares Isa returned 11.75 per cent. Until either the personal savings allowance is withdrawn or challenger banks shake things up don't expect much to change.

Saver / Investor / Retired

Income Investing for 2018

Real interest rates globally are hovering around historic lows and although the Bank of England has for the first time in a decade moved interest rates up by 25 basis points, the underlying economic fundamentals indicate that this hike is likely to be a one-off and that rates are expected to remain well below historic norms for the foreseeable future. Against this backdrop The Telegraph looks at the options to achieve meaningful returns without unduly compromising levels of risk within a portfolio. Key Sectors to look at for dividend growth this year are: mining, banking, insurance, oils and gas, tobacco, utilities, consumer staples and pharmaceuticals.

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Saver / Investor / Property Owner

House prices to flatline

While house price growth stayed positive last year (despite the negative mood music) the harbingers of doom (experts) believe that won't be repeated in 2018, as the twin spectres of Brexit and rising interest rates put the brakes on the property market. Most are warning homeowners to prepare for an underwhelming and subdued 2018, with a number of leading commentators predicting UK house prices will either stay flat or perhaps rise by 1% or so. The FT points out that if growth stays below inflation for the next three years house prices will, though, will revert to their historical averages… which might not be a terrible thing.

All

Over 65s drive UK spending

UK household spending -- excluding mortgage payments -- rose to £554.20 pounds per week in 2017, climbing back to pre-crisis levels of more than a decade ago for the first time, according to a report by the Office for National Statistics - that's an increase from £533 the previous year. Transport accounted for the biggest proportion of expenditure at £79, more than housing and recreation. Both transport and recreation rose by more than £5 a week each. Of note, 65-74 year olds spent more than double than under 30's on culture and recreation (a fifth of their disposable income).

Saver / Investor / Parent / Estate Planner

Tax rise for under 50s on the horizon?

The Government Actuary's Department (GAD) said the state pension fund, which is funded by national insurance contributions is under considerable strain due to Britain's ageing population.

The GAD believes that "class 1" contributions from employers and workers need to rise from the current 22 per cent to 27 per cent by 2035. This would result in national insurance contributions from these groups raising from £90billion to about £113billion.

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Business Owner

Pension-led funding for small businesses

Despite the relatively benign economic impact to date the impact of Britain's decision to leave the EU has had a big impact on uncertainty among businesses. Add that to a mix of higher costs, weak domestic growth and lacklustre consumer demand and it's clear that optimism has been dampened among British small businesses – the Federation of Small Businesses said confidence among members fell to four year low of -2.5 in the last quarter of 2017. Against this backdrop the Mail explores how personal pensions could help fund small businesses by an injection of capital. Pension-led funding and it is an option available to business bosses who have either a self-invested personal pension (SIPP) or a small self-administered scheme valued above £50,000.

All

An antidote to Blue Monday

As the Christmas becomes a distant memory, and we peak at the festive bills (and the festive bulge) some bright sparks have dubbed the 15th January 'Blue Monday' where a series of forces coalesce to make us all feel incredibly sad. The FT provides an antidote in the form of some useful money saving tips to combat the woe if you're looking at a holiday, namely 1) clearing your cookies that holidays and travel companies used to raise the price 2) Never buy an excess waiver from a car hire company 3) make sure you book your travel insurance to start the day you buy your holiday.

Saver / Investor / Business Owner

Sterling in 2018

The Euro is unlikely to post large gains versus the British Pound in 2018 according to experts as they set out their forecasts for coming months. There is certainly a more constructive tone to forecasts for the Pound at the start of 2018 when compared to the same time - Its revival, currency analysts say, reflecting growing optimism in the markets about a "soft" Brexit. The Times point out though that Sterling remains vulnerable in this environment and that the rollercoaster has a long way to go.

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Saver / Investor / Property Owner

Bitcoin bites would-be property owners

Many younger investors who have enjoyed a whopping windfall on Bitcoin have been trying to channel their new-found fortune into UK property having converted their profits to Sterling. However, mortgage lender and brokers have been turning would-be investors away for fear of breaching ant-money laundering regulations. The trouble has come from satisfying the challenge of tracing the source of the money. This is, of course, where the advantage of cryptocurrency not being regulated by a central bank, becomes rather more a hindrance.

Saver / Investor

Tax rise in insurance products

The removal of capital gains tax indexation allowance (for Insurers) doesn't sound like anything to worry about, unless you are on the board of an insurer. But policyholders may stand to be left, indirectly, with lower returns as insurers complain of what they are calling a £250 million annual stealth tax.

Estate Planner / Retired / Saver / Investor

Paradise lost

The paradise payers raised more questions than answers but one certainty, as reported by the Guardian is the sheer volume of tax-avoidance schemes (particularly those including creating offshore accounts in tax-free countries) are being offered to the wealthy like never before. Tax avoidance has never been more commoditised and commentators have highlighted some (pre-panama / paradise) emboldened intermediaries offering packages like packaged holidays.

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If you have any questions related to this update or indeed anything else then please contact your adviser at Champain.

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