Family Finance Tracker 2025

Building the case for Junior ISA reform - A study conducted by 3Gem on behalf of Scottish Friendly

July 2025

Contents

Executive Summary

Families across the UK are facing a perfect storm of rising costs, stagnant incomes and ongoing economic uncertainty – so it's no surprise that saving or investing for a child's future can sometimes slip down the list of priorities. We know from our own Junior ISA (JISA) data when parents do open a JISA, the child has typically already lost out on around four years of potential investment growth.

While you can't put a price on the benefit of building greater financial resilience, you can put a pounds and pence value on the cost of delaying action. The earlier you start, the bigger the potential long-term impact. Even modest contributions, when invested from birth, can grow into a meaningful sum by the time a child turns 18, thanks to the power of compounding. That early start can make all the difference as they step into adulthood, helping them begin their journey on a sound financial footing.

It is for that reason we believe the rules around JISAs should be tweaked to better reflect how families live and save today – as shown in the findings in this report – and that the wider family should be allowed to play a part.

We already know from our previous research, that grandparents play a vital financial role in households other than their own – whether that's helping with childcare, bills or everyday expenses. Allowing them to open a JISA directly would be a practical change that could ease the burden on parents and likely increase the number of children who benefit from long-term saving and investing.

This is about giving families more flexibility, more support and more opportunity to build a better financial future for the next generation. It's time for the system to catch up with the realities of modern family life.

The findings we present here are from our second annual Family Finance Tracker and show significant public support for a reform of the JISA rules to allow members of the child's extended family to open accounts on their behalf. Twenty-eight percent of parents would like grandparents to be allowed to set up a JISA to help give the child a financial leg up as they enter adulthood. The same number of UK adults (28%) would consider opening a Junior ISA for a child who isn't their own if the rules changed. This figure rises to 31% for grandparents with grandchildren aged under the age of six.

The Family Finance Tracker 2025 findings paint a picture of many families facing financial pressure, with nearly a third (31%) of UK adults saving less than they were a year ago. We believe the case for making a small change to the JISA rules is compelling, in this context, it is also very timely.

Stephen McGee,
CEO, Scottish Friendly

Sample Profile

In 2025, Scottish Friendly conducted its second annual Family Finance Tracker. By taking regular measurements, the modern mutual aims to build a comprehensive picture of how family finances are evolving across the UK. The research was carried out between March and April 2025 using a nationally representative sample of 2,500 participants.

The findings offer valuable insights into public attitudes towards, and the growing demand for, a reform of the rules around who can and can't open a Junior ISA (JISA). Scottish Friendly is advocating for a modest change that would allow extended family to open an account on behalf of a child.

Under the current rules, only a parent or legal guardian can open a JISA.

This latest research further highlights parents' wish for extended family to be able to step in, as well as a willingness of extended family members to do so.

The findings in support of JISA reform can be found from page 22 while a broader overview of family finances in the UK in 2025 can be found on pages 6 to 21.

Helping more families build financial resilience is central to what we do at Scottish Friendly. We hope these findings spark meaningful conversations about how we ensure even more families across the UK can achieve financial resilience.

Methodology

Research design

- Online survey conducted via the 3Gem pre-recruited panel
- Questionnaire jointly developed by Scottish Friendly and 3Gem

Sample

- 2,000 UK adults nationally representative on age, gender and region
- Additional 'Secure Families'[1] and 'Emptied Nest'[2] (500 in total including those within nationally representative sample)

Fieldwork

- The fieldwork was conducted between 21st March and 2nd April 2025.

Analysis weighting

The two boost samples have been weighted back to their natural proportions in the main set of tables to enable overall totals to be calculated. As 500 interviews were achieved for each of the boost samples, robust analysis is also possible for these two samples.

1 Secure Families - Typically aged between 35-49, married or in a civil partnership. They have children under the age of 18, a household income of £60k with a mortgage. The unpredictability of their bills makes them feel vulnerable to unforeseen expenses. Receiving the financial wellbeing they need starts with regaining control, which is currently a challenge.

2 Emptied Nest- Typically aged between 50-64, married or in a civil partnership. Just 8% have any children under the age of 18, a household income of £45k and own their property outright. Financial wellbeing is part of everyday life, and means budgeting and setting goals, to protect themselves and their family from debt.

Tables

Figures in this report have been rounded to the nearest percent. Where nets are given in the report, they have been calculated from the raw data and may therefore differ by +/- 1% from a simple sum of percentages.

We analyse by generation, using the following age and birth year groupings:

Gen Z: age 13–28, born 1997 to 2012

Millennial: age 29–44, born 1981 to 1996

Gen X: age 45–60, born 1965 to 1980

Baby Boomers: age 60+, born before 1964

Secure Families: age 35-49, born 1976 to 1990

Emptied Nest: age 50-64, born 1961 to 1975

Note about confidence level and confidence interval

There are mathematical formulae that can help indicate statistical significance. In their truest form, these are calculated for probability samples rather than quota sampling. However, they provide a useful indication of the statistical precision around a result.

Assuming a confidence level of 95% and a large population, we can calculate confidence intervals for the samples. The confidence interval (also called the margin of error) is the plus-or-minus figure often reported in newspaper or television opinion poll results. This means that results based on the total sample of 2,000 are accurate to within +/- 2.2% at a 95% confidence level.

For the general population sample of 2,000, the confidence interval around a 50% result is +/- 2.2 percentage points.

For the boost samples of 500, the confidence interval around a 50% result is +/- 4.4 percentage points.

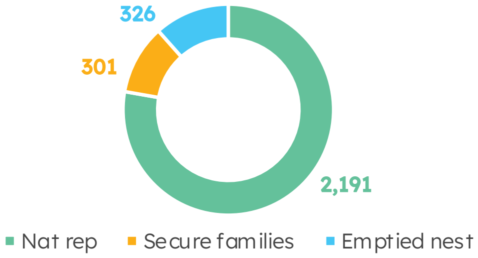
For example, if 50% of the general population sample agrees with a statement, we can be “sure” that, had the entire population been asked, between 47.8% and 52.2% would have selected that answer. When combining the confidence level and interval, we can say we are 95% confident that the true percentage lies between 48% and 52%.

To compare percentages between subgroups, a t-test can be used. This follows a bell-shaped curve, with the lowest likelihood of statistical significance occurring near the 50% mark. For a sample of 2,000, differences need to be +/- 4.5 percentage points to be significant around a 50% figure, and +/- 1.5 percentage points around a 5% figure.

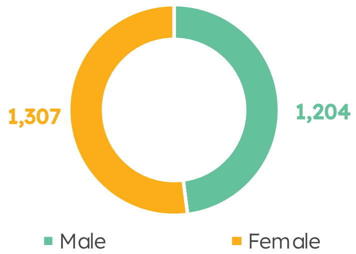
Sample

Total sample = 2,511

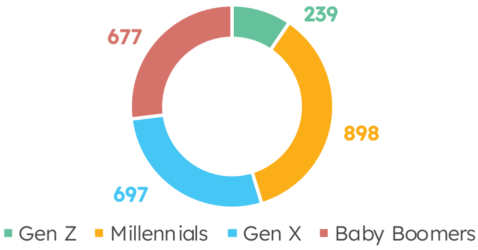
Boost groups



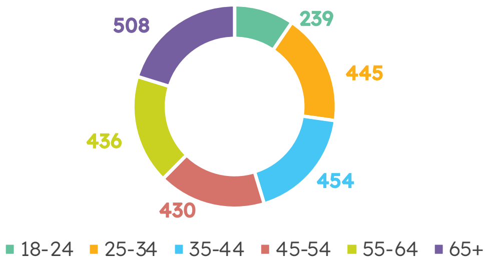
Gender



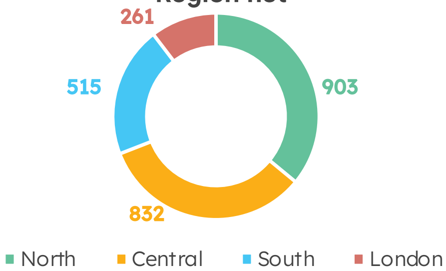
Generation net



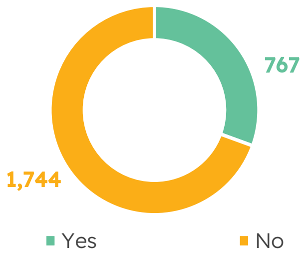
Age group



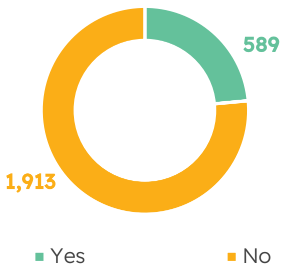
Region net



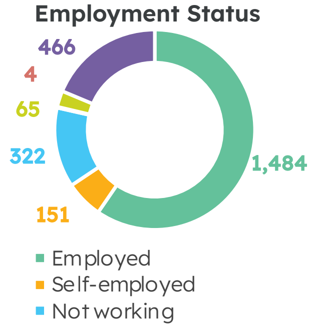
Children



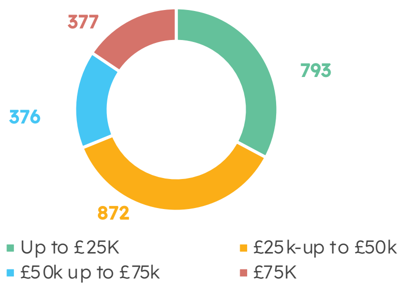
Grandchildren



Employment Status



Household income



Section 1: Family Finance Tracker

Saving & investing trends by generation

We make a distinction between saving and investing. While the overall end goal may be the same, it is widely understood that people feel quite differently towards each of them. It is not for nothing that there are Government initiatives in train to encourage greater levels of investing. The UK has remained wedded to cash even with high inflation.

Overall, the number of adults saving compared to a year ago has remained largely unchanged. Meanwhile, slightly more people reported that they are investing, compared to 2024. For those who are saving and investing more than last year, this behaviour is being driven by a desire to support future financial goals and a heightened awareness of the importance of saving and investing.

It is important to note that the cost-of-living squeeze continued to take its toll in the first quarter of 2025, preventing some individuals from maintaining previous levels of saving or investing.

Generational differences

Millennials are most likely to say they have become more aware of the importance of saving and investing. Along with parents, Millennials are also more likely than average to prioritise long-term goals over short- and medium-term ones.

Savings accounts and current accounts are being used across all saving horizon goals – short-, medium-, and long-term. Of particular concern is the fact that Cash ISAs are being used more for medium-term saving goals than for short-term ones.

- Millennials (aged 25–44) are increasingly engaging with savings and investment products.
- Gen Z (aged 18–24) are beginning to think about savings – 12% have opened a Lifetime ISA recently.
- When it comes to high-priority long-term financial goals, Gen Z are most likely to say they want to buy a first property (36%) – as are Millennials, though to a lesser extent (25%).
- ‘Secure Families’ long-term financial goals are most likely to include paying off a mortgage early or saving a lump sum for their child. For ‘Emptied Nest’ households, the top long-term priority is leaving an inheritance for their family (32%), followed by saving a lump sum for their child or grandchild (19%).
- Those with children are more likely than those without to report they had become more aware of the importance of saving (32% vs 25%).

At a glance

Overall saving and investing levels remain similar to last year, with a slight rise in investing.

- Gen Z and Millennials are saving and investing more than older generations.
- Parents, especially Millennials, are prioritising long-term financial goals like their children's futures.
- Lifetime ISAs and Junior ISAs are seeing growth among younger adults.
- Product usage varies by goal timeframe: savings accounts are used broadly, Cash ISAs for medium-term, and pensions for long-term, as one would expect.

What can we take from this?

Current policy discussions are focused on trying to encourage the very behaviour younger generations are doing their best to model under the existing rules. Expanding access to Junior ISAs, by allowing extended family to open accounts, would remove a potential barrier to even greater engagement amongst the groups (Millennials and parents) most keenly aware of the importance of saving and investing for the long-term.

Enabling extended family to be able to step up and take on the admin of opening a JISA when new parents have their hands at their fullest – at birth and through the toddler stage – will ensure one important hurdle (acting on the awareness of the importance of saving and investing) has been removed for them.

There is a clear need for flexible, family-wide savings solutions which take account of the reality of parenthood in the early stages. But it is currently not being adequately met.

Section 2: Product Preferences

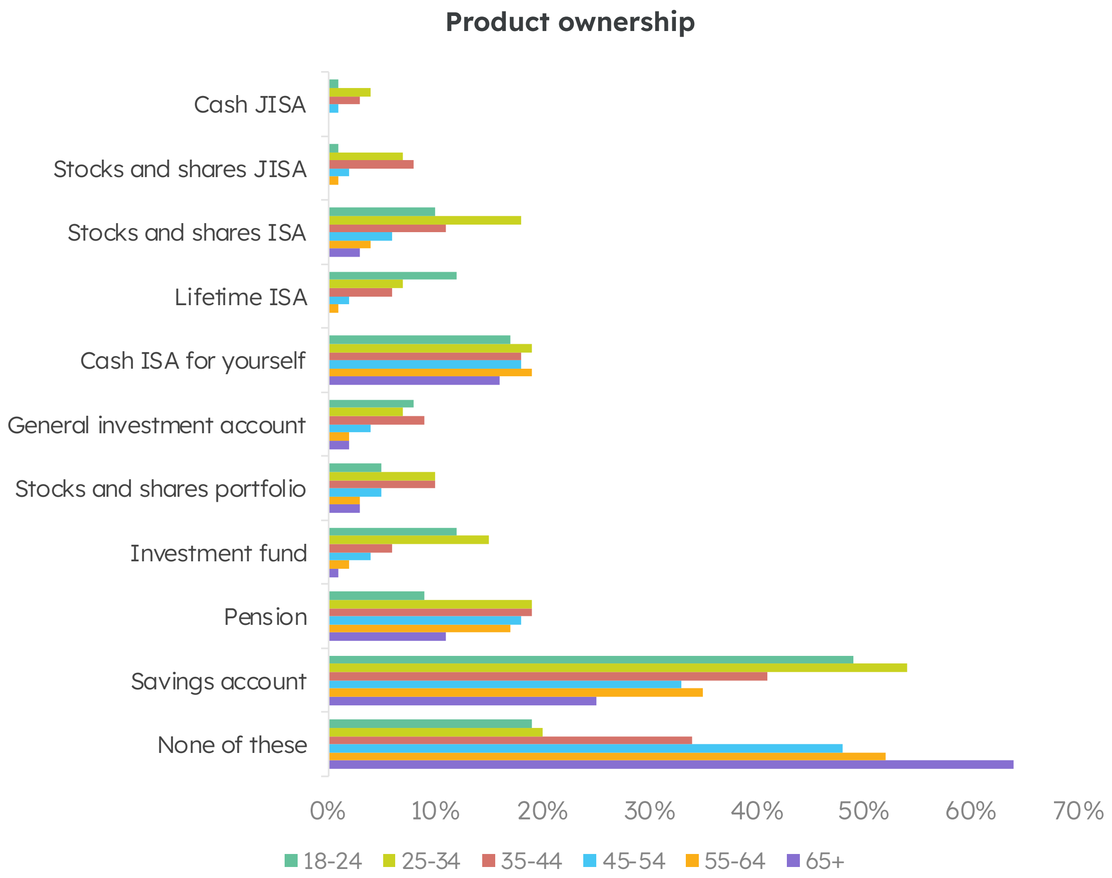
Product ownership - secure families and emptied nest

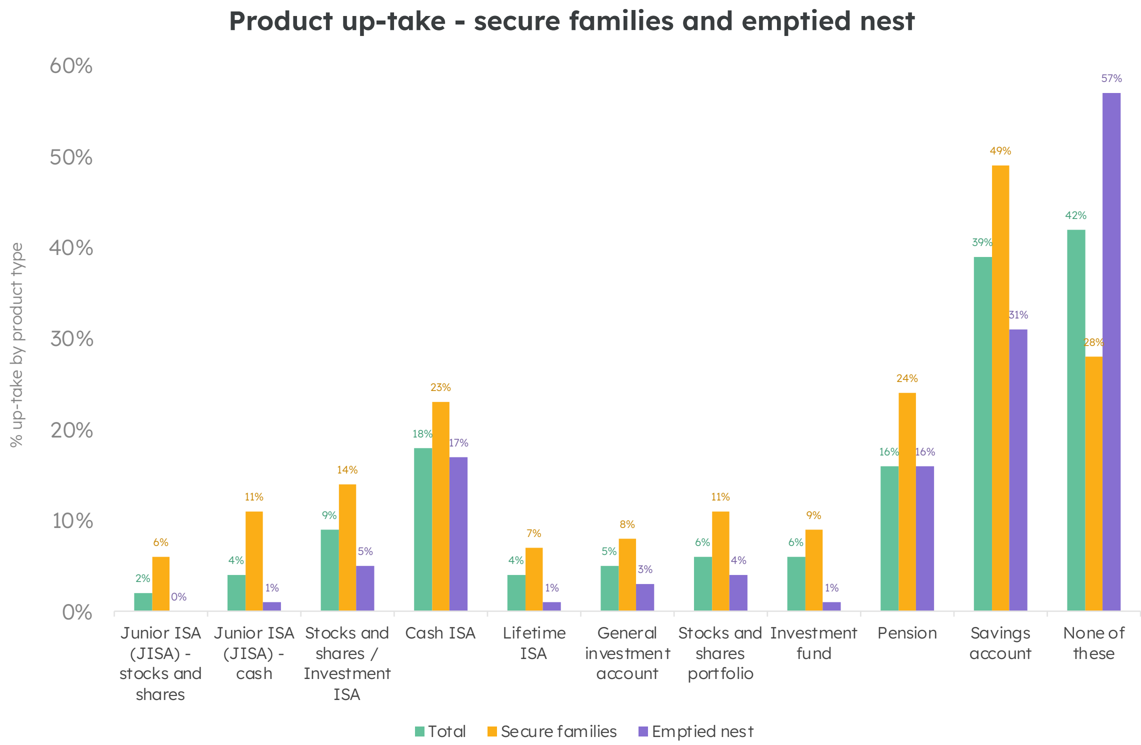
As expected, savings accounts are the most popular accounts opened across all age groups over the period, followed by Cash ISAs and pensions. Thirty-nine percent of UK adults had used a savings account in the first quarter of 2025, 18% had paid into a Cash ISA, 16% into a pension, and 9% into a Stocks & Shares ISA.

Among younger people, particularly those aged between 25 and 34, investing in a Stocks & Shares ISA is a popular choice.

Meanwhile, 4% of UK adults had paid into a Cash JISA in the first three months of 2025, and 2% into a Stocks & Shares JISA. This rises to 11% for a Cash JISA and 6% for a Stocks & Shares JISA among 'Secure Families'.

Gen Z (76%) and Millennials (71%) are more likely than Gen X (50%) or Baby Boomers (37%) to have opened or started using a financial savings or investment product in Q1.





Saving in detail

A third of UK adults (33%) said they are saving more than they were a year ago, and a similar proportion are saving less (31%). Twenty-three percent said they are saving the same and 11% said they did not save at all. This suggests that the overall level of saving in the UK in March 2025 is broadly similar to that of March 2024.

Younger people are more likely than older people to say they are saving more. Forty-three percent of Gen Z and 42% of Millennials reported saving more in Q1 than 12 months ago, compared to 27% of Gen X and 23% of Baby Boomers. In contrast, 29% of Gen Z and 28% of Millennials said they are saving less, while 16% and 18% respectively reported saving the same amount as a year ago.

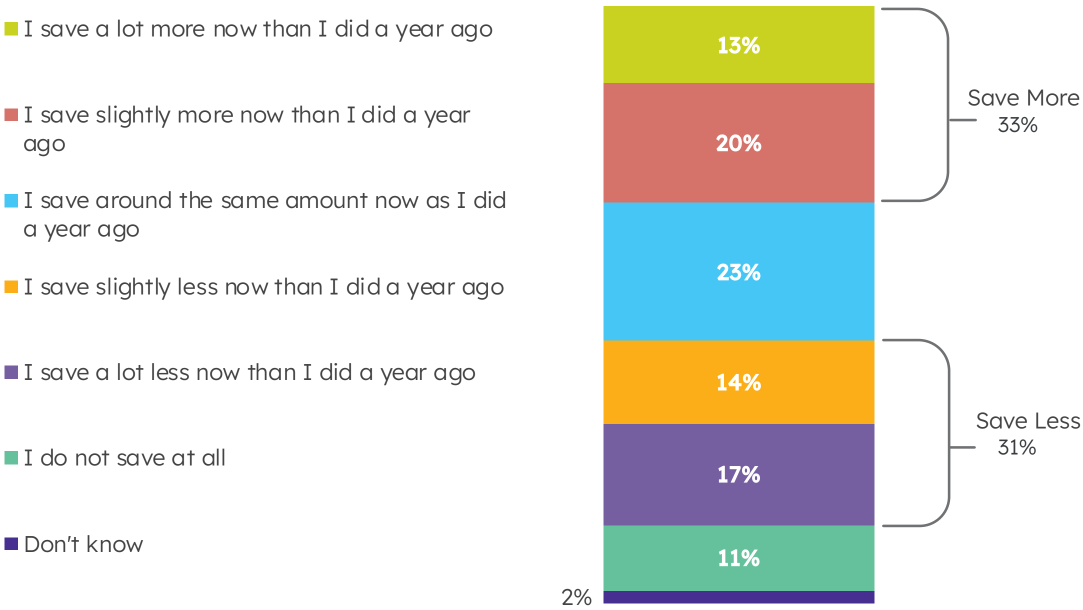
Among those with children, 44% said they are saving more in Q1 than 12 months ago, 19% are saving the same, and 28% are saving less. Notably, those with children aged 1 - 4 are the most likely (53%) to have been saving more in Q1 than a year ago. In comparison, 50% of those with children aged 5 - 10 and 37% of those with children aged 11-15 are saving more.

Among ‘Secure Families’, 41% are saving more than a year ago, 23% are saving the same amount, and 30% are saving less.

Among ‘Emptied Nest’ households, 26% are saving more, 33% the same, and 29% are saving less than they were a year ago.

Regionally, those in London (44%) and Northern Ireland (48%) are most likely to be saving more, while those in Yorkshire & Humber (26%), the East of England (27%), and Scotland (28%) are the least likely to be saving more than they were a year ago.

Saving behaviour



Drivers for saving more compared to 12 months ago

The most commonly cited reason for why people are saving more in Q1 than they were 12 months ago was a desire to support their future financial goals (32%).

People typically gave more than one reason for why they are saving more. Other reasons mentioned by around a quarter of those saving more included reduced spending levels and increased awareness of the importance of saving.

Those with children are particularly likely to say they are saving more than a year ago to support their future financial goals (38% vs 28% of those without children). This motivation is even stronger among those with children aged 10 or under - 40% of those with a baby under one and of those with a child aged 5-10 said this is their reason for saving more.

Among those with a child aged 1-4, 44% said they are saving more because they had become more aware of the importance of saving. In comparison, 33% of those with children aged 11-15 said supporting future financial goals is the reason they are saving more compared to 12 months ago.

Millennials are the generation most likely to say they have become more aware of the importance of saving in the last 12 months (30% vs 20% of Gen Z, 25% of Gen X, and 18% of Baby Boomers). Older generations, on the other hand, are more likely than younger ones to have cited reduced spending levels as a reason for saving more in Q1 than they did last year (21% of Gen Z, 21% of Millennials, 31% of Gen X, and 36% of Baby Boomers).

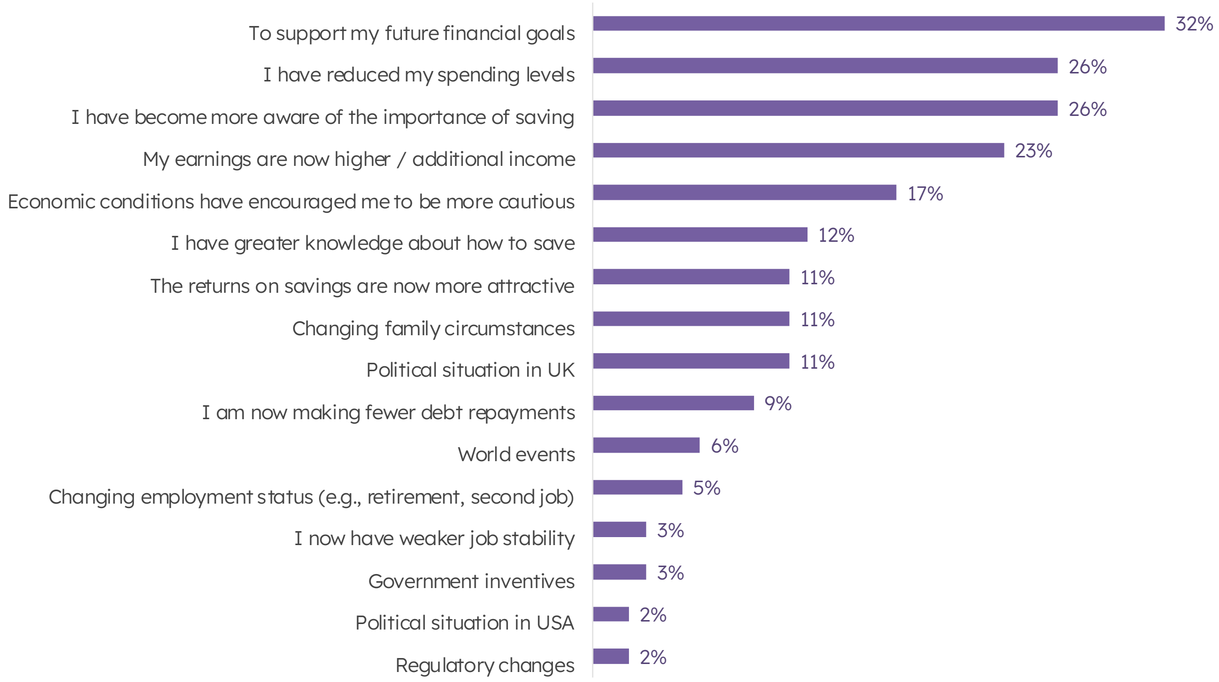
Why people are saving less compared to 12 months ago

The main reason given for saving less than a year ago is the rising cost of living, with two-thirds of those saving less citing this (67%). A fifth said they are saving less because their earnings had stagnated (21%), and 13% attributed it to the political situation in the UK.

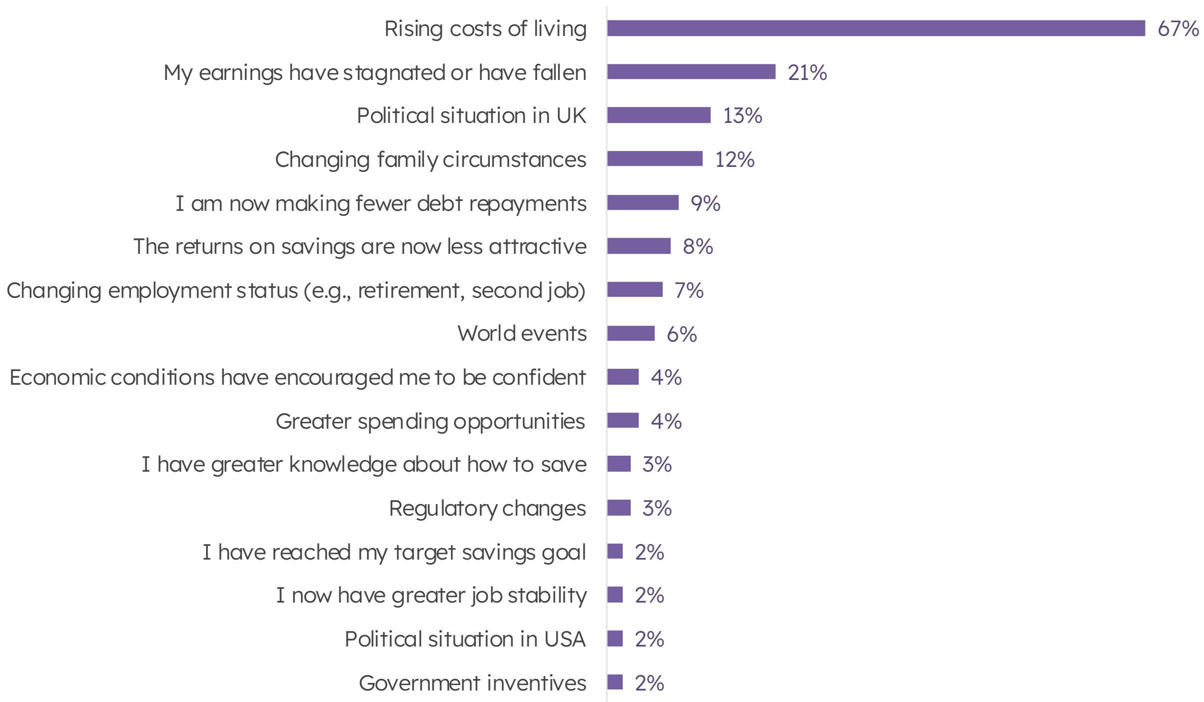
Those without children are even more likely to say that the rising cost of living meant they are saving less (69% vs 61% of those with children).

Older generations are more likely than younger generations to be saving less due to the cost of living. Eighty-one percent of Baby Boomers and 70% of Gen X reported saving less for this reason, compared to 59% of Millennials and 38% of Gen Z.

Reasons for saving more compared to 12 months ago



Reasons for saving less compared to 12 months ago



Investing in detail

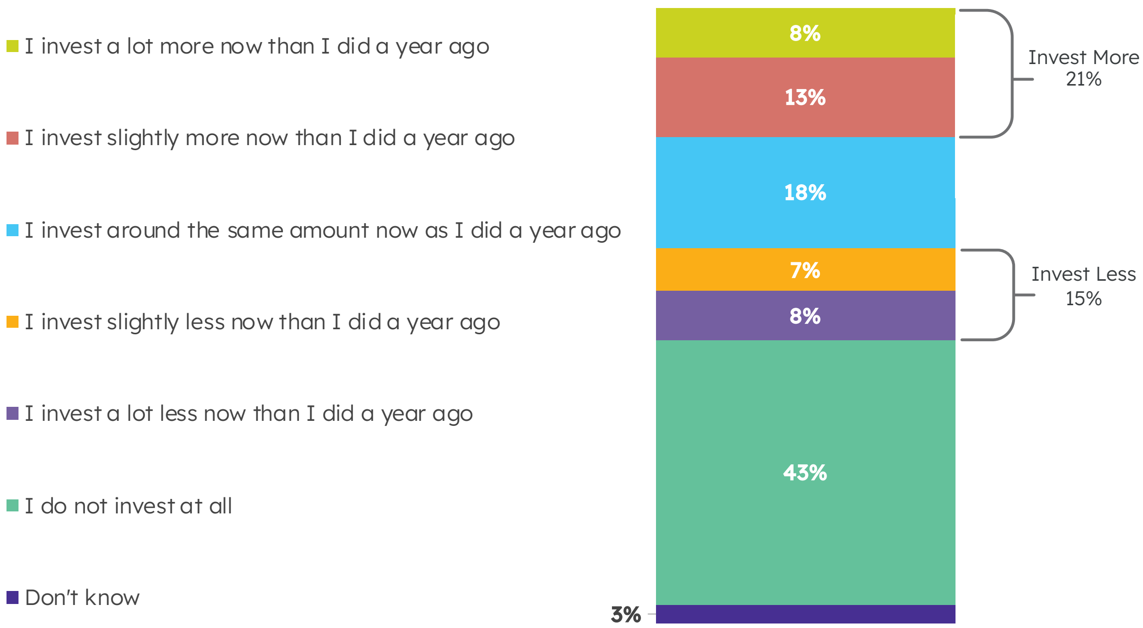
AA higher proportion of UK adults said they do not invest at all compared to those who did not save at all (43% vs 11%). Compared to a year ago, 21% of UK adults are investing more, 15% are investing less, and 18% are investing the same. Overall, investing activity appears to be at a similar level - or slightly higher - than a year ago. Those in London are the most likely, regionally, to be investing more.

Again, there are clear generational differences. Thirty percent of Gen Z and 35% of Millennials are investing more in Q1 than the year before, compared to 15% of Gen X and just 5% of Baby Boomers. Meanwhile 19% of Gen Z and 25% of Millennials are investing less compared to a year ago.

Those with children are more likely than those without to say they are investing more now than a year ago (35% vs 15%), particularly those with children aged 1- 4 (45%) and aged 5 - 10 (45%). Among the 'Secure Family' group, 28% say they are investing more in Q1 than a year ago, 22% are investing the same, and 18% were investing less.

Half of those in the 'Emptied Nest' group did not invest at all, making this group less likely than average to invest (54% vs 43% national average). Just 9% of Emptied Nest households are investing more than compared to a year ago, while 19% are investing the same and 15% are investing less.

Investing behaviour



Drivers for investing more compared to 12 months ago

The main reasons people gave for investing more in Q1 2025 compared to a year ago are that they want to support their future financial goals (36%) or they have become more aware of the importance of investing (25%). This is similar to the reasons people gave for saving more.

Once again, Millennials are the generation most likely to cite these top two motivations, with 40% saying it is to support their future financial goals and 28% saying they had become more aware of the importance of investing.

Those with children are more likely than those without to give several of these reasons. Notably, 42% say they wanted to support their financial goals (compared to 29% of those without children).

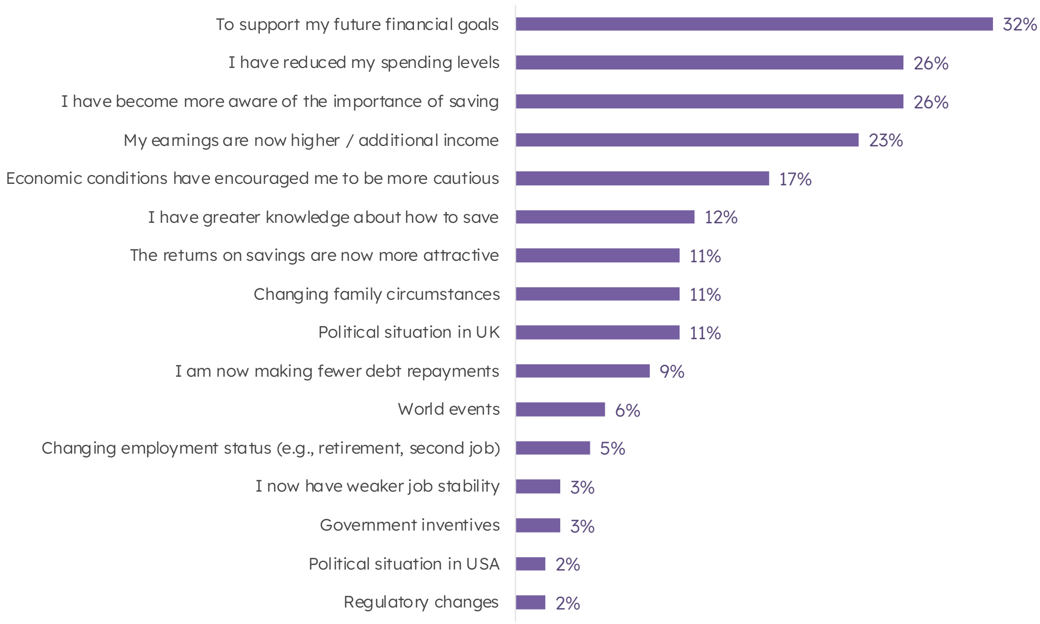
Why people are investing less compared to 12 months ago

When it comes to why people are investing less in Q1 2025 compared to a year ago, the rising cost of living is by far the dominant reason, with over half of those investing less citing it (53%).

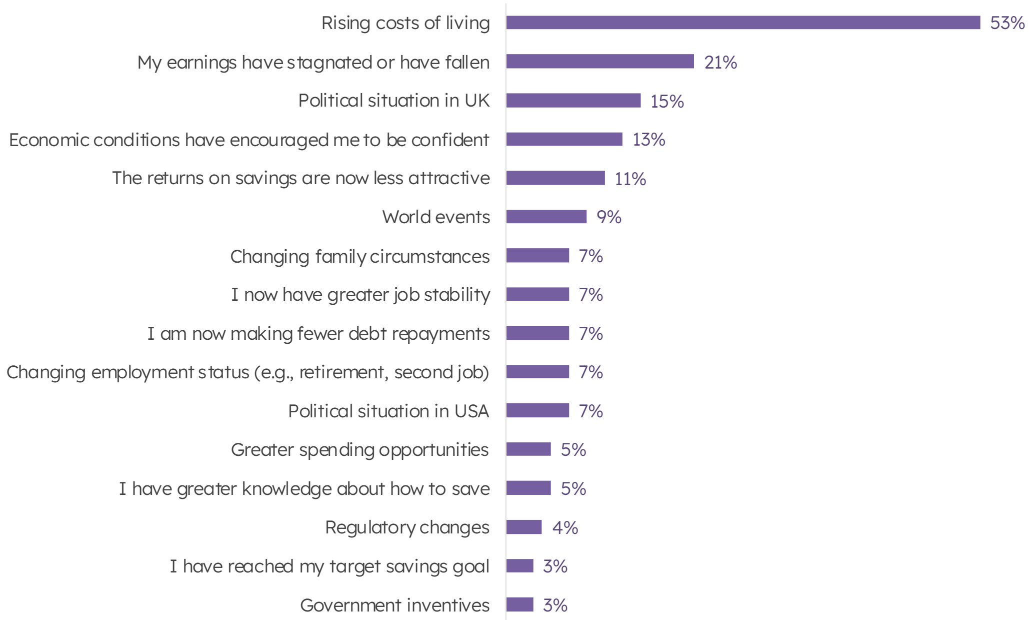
Those in the 'Emptied Nest' group are even more likely than average to give this as a reason (71%).

Older generations are more likely than younger generations to be investing less due to the rising cost of living. Sixty percent of Baby Boomers, 64% of Gen X, and 46% of Millennials reported the cost of living as a reason, compared to just 29% of Gen Z.

Reasons for investing more



Reasons for investing less



Geopolitical backdrop

In the first quarter of 2025, there were significant UK political and economic events, including the Bank of England cutting the Bank Rate and the Chancellor's Spring Statement. There is also growing public concern over Labour's economic plan.

Globally, geopolitical tensions remained high. US President Trump attempted to broker a ceasefire in the war between Ukraine and Russia, but the conflict continued. The US president also set out economic reforms at the start of 2025, introducing volatility around higher tariffs on imported goods.

These political and economic events had some influence on people's saving and investing behaviour in the period but had less impact than general saving and investing motivations. Eleven percent said the political situation in the UK is the main reason they decided to open or start using a financial savings or investment product; 10% cited the Bank of England interest rate change; 5% referenced world events; and 3% pointed to the political situation in the USA.

Notably, just 8% attributed the time of year (i.e., before April 1st, likely correlated to tax year end) as the reason they decided to open or start using a financial savings or investment product.

At a glance

- Savings accounts dominated.
- Younger generations are opening ISAs, especially Lifetime and Junior ISAs.
- Political and economic uncertainty influenced financial decisions, especially for younger generations and low-income households.
- The cost of living continued to cast a shadow in the first quarter of the year, for Emptied Nest households it may point to a forgotten 'sandwich' generation – feeling the strain of still financially supporting adult children and caring for elderly parents.
- Gen Z and Millennials are more likely to engage with new financial products.
- Stocks & Shares ISAs are popular among younger generations, especially those aged 25–34.

What can we take from this?

What emerges is a picture of an uneven playing field when it comes to being able to take action now in order to build greater future financial resilience, especially across generations and income levels.

Expanding access to the type of financial buffer a JISA affords a child, may help level that playing field for children whose parents are not in a financial position to initiate saving or investing on their own. Changing the set-up rules for JISAs would be a low-cost, but high-impact intervention that has the potential to support intergenerational wealth-building during - and in anticipation of - periods of economic instability.

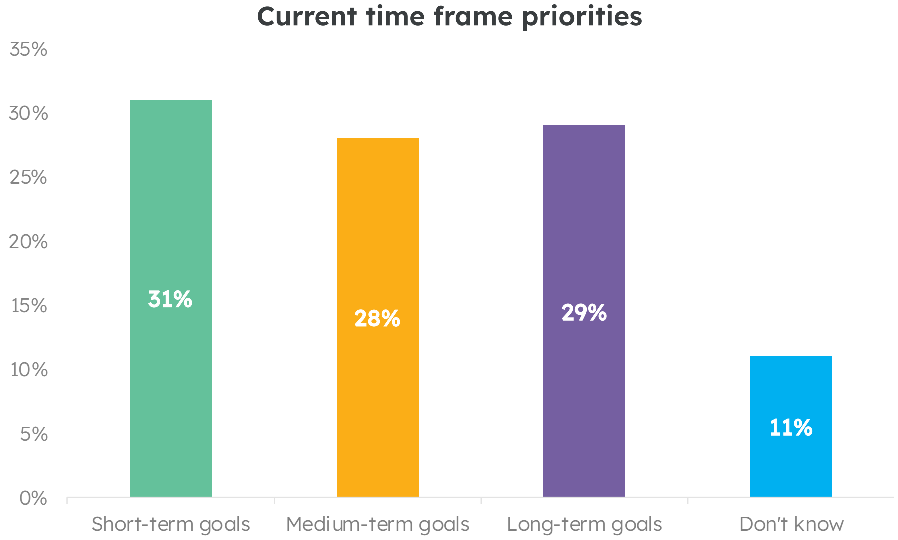
While the cost of living continues to impact many different households, affecting their ability to save and invest, the impact small contributions can have should not be overlooked. Eighteen years' worth of small contributions twice a year can make a real difference. Extended family contributing the value of a birthday present or a gift to mark a key religious holiday to their grandchild, nephew, or niece's JISA could provide a financial cushion that child might otherwise not have.

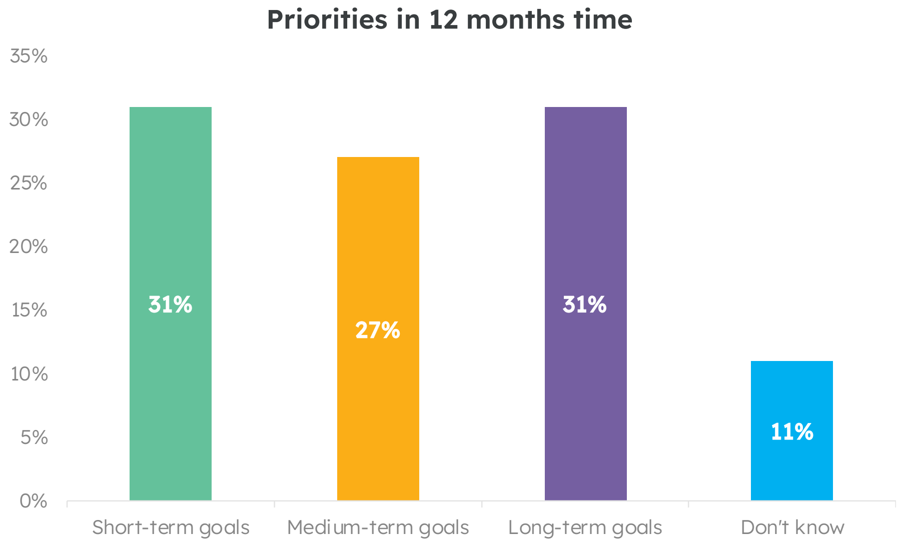
Section 3: Short-, Medium-, and Long Term Financial Goals

Perhaps not surprising that there is very little difference in individuals financial priorities as they currently stand compared to what they believe they will be in a year. This could be largely due to a 12 month period being relatively short in it's own right, in addition to the amount of economic and geopolitical developments we have seen recently which may be affecting people's ability to confidently look outwards to what they feel their financial priorities will look like in the future.

Time frames

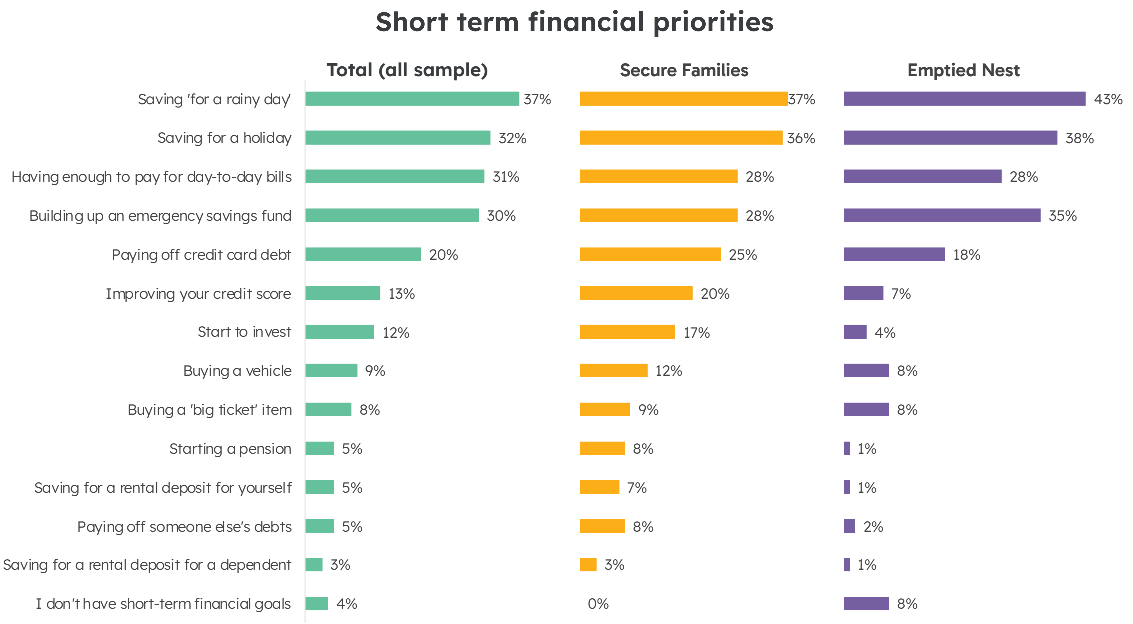
- Short-term financial goals (e.g. thinking up to six months ahead)
- Medium-term financial goals (e.g. thinking between six months and five years ahead)
- Long-term financial goals (e.g. thinking more than five years ahead)





Short-term financial goals

Saving for a rainy day (37%) is the highest priority among short-term financial goals. After this, UK adults are equally likely to report saving for a holiday (32%), needing enough to pay the bills (31%), or wanting to build up an emergency savings fund (30%).



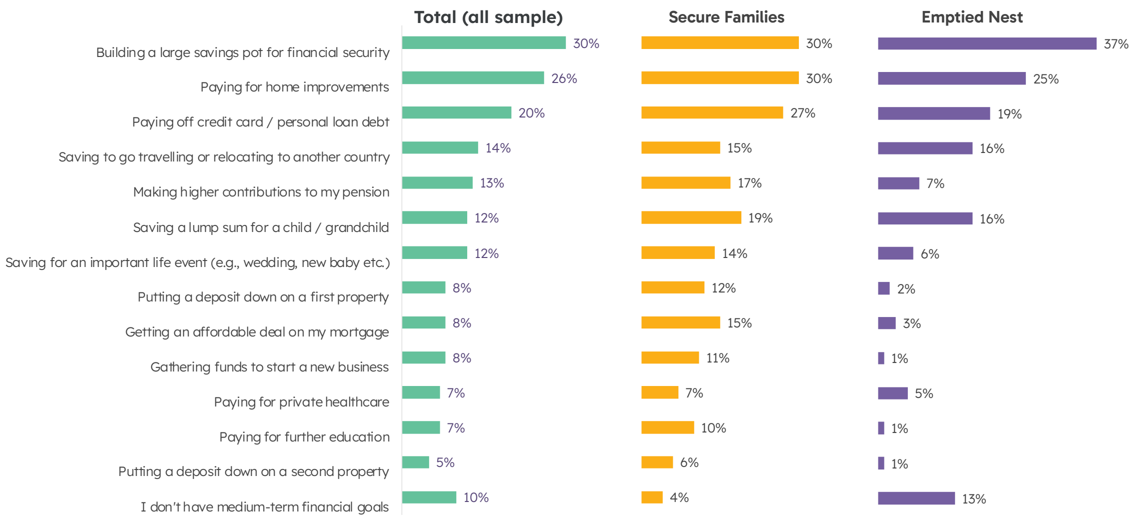
Medium-term financial goals

The three most frequently cited medium-term financial goals are:

- building a large savings pot for financial security (30%).
- paying for home improvements (26%).
- and paying off credit card or personal loan debt (20%).

For ‘Secure Families’, the top three medium-term priorities got equal billing - each was chosen by roughly three in 10 people. For the ‘Emptied Nest’ group, however, building a large savings pot for financial security is by far the most important medium-term goal (37%).

Medium-term financial priorities



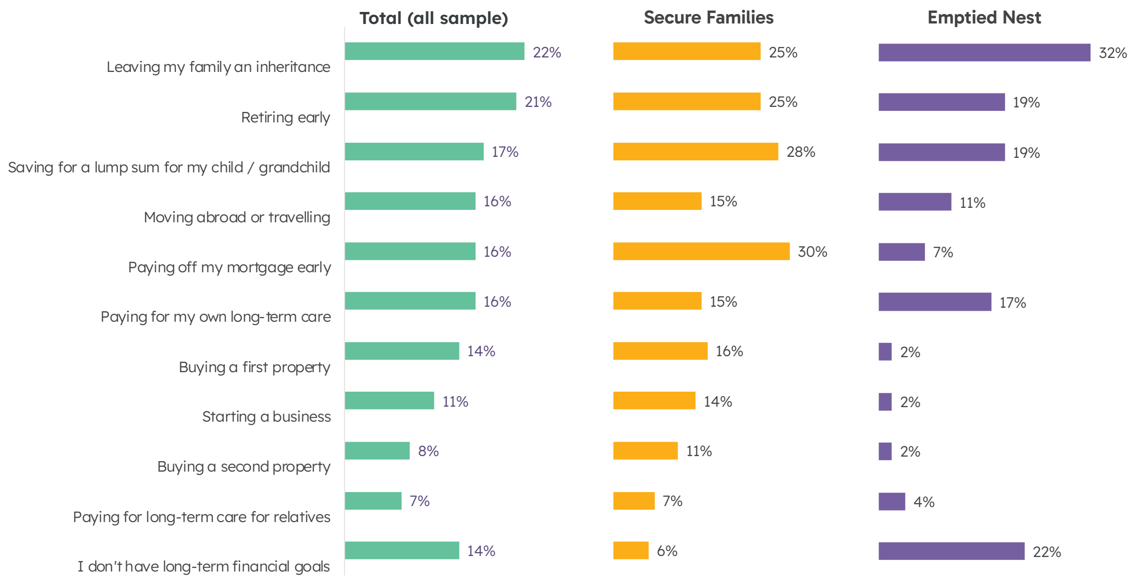
Long-term financial goals

When it came to long-term financial goals, people have a range of priorities, which differed by life stage. For ‘Secure Families’, the top long-term priority is to pay off their mortgage early (30%). In contrast, among ‘Emptied Nest’ households, the key long-term goal is to leave their family an inheritance (32%).

Meanwhile, high-priority long-term financial goals among Gen Z are mostly buying a first property (36%). Millennials placed this highly too, though to a lesser extent (25%). Gen X are most likely to say their top long-term financial goal was retiring early (31%).

Those with children are far more likely than those without to have long-term financial goals - and to state more of them. In particular, among those with children, 28% said that saving a lump sum for their child or grandchild was a priority, and 27% said leaving their family an inheritance is a long-term financial goal.

Long-term financial priorities

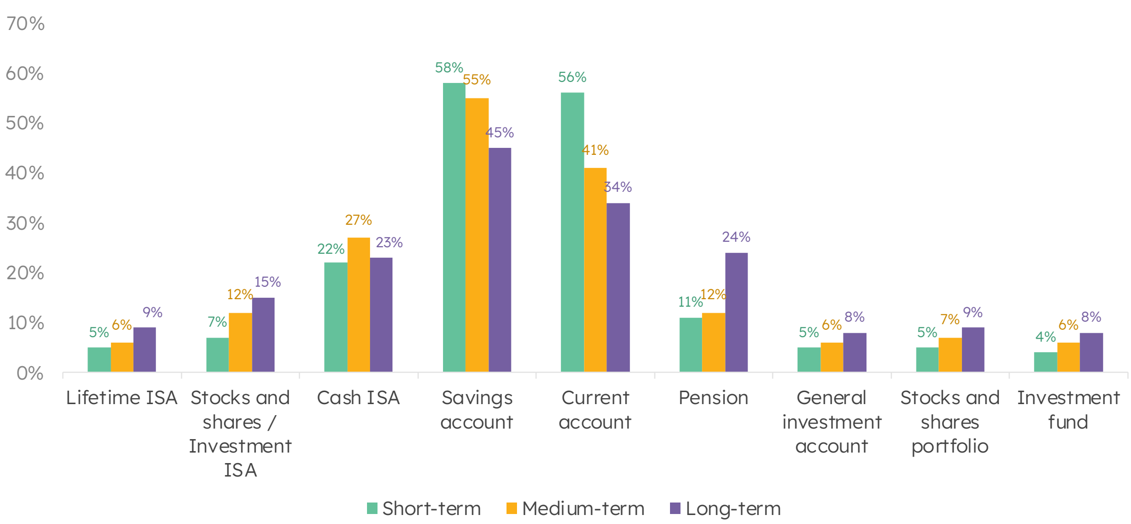


Products currently used for short-, medium-, and long-term financial goals

Savings accounts and current accounts are widely used for financial goals across the short-, medium-, and long-term. With Cash ISAs being used more often for medium-term savings goals than they are for short-term goals, particularly during a period of high inflation, it raises some serious questions. While understandable, because savings and current accounts are familiar products, the extent to which stocks & shares ISAs and JISAs are being overlooked adds weight to the argument for rethinking how to nudge people towards better outcomes.

Generally, the difference in returns between cash and stocks and shares ISAs and JISAs is compelling indicating savers may be able to better protect their money from the eroding effects of inflation, while bearing in mind their capital is at risk.

Products currently used for short, medium and long-term goals

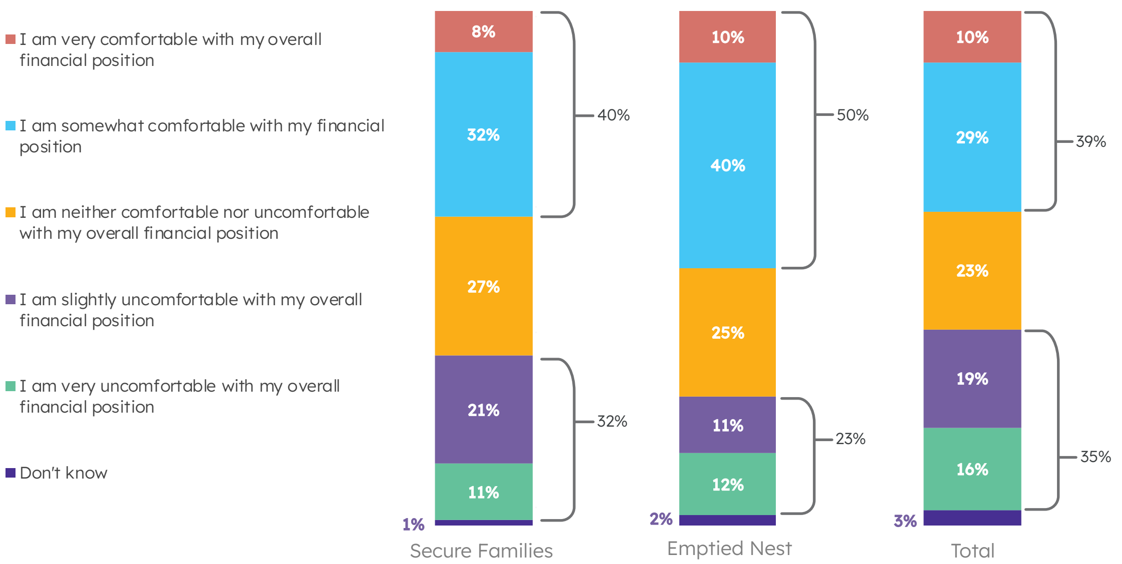


Comfort levels with overall financial position

More people felt comfortable with their financial position (39%) than uncomfortable (35%). However, only 10% said they felt very comfortable, while 16% felt very uncomfortable.

While 'Secure Families' are broadly in line with the average, the 'Emptied Nest' group is significantly more likely than average to feel comfortable with their overall financial position.

Consumer comfort levels



At a glance

- Long-term goals are gaining importance among Millennials, parents, and higher-income households
- Life stage and income influenced priorities. Baby Boomers, lower-income households prioritised short-term. Emptied Nesters focused on medium-term. Millennials and parents focused on long-term.
- Millennials prioritised retirement and property; Baby Boomers inheritance.
- Comfort levels varied. As expected, older and more financially stable consumers are more likely to feel secure. However, a significant minority felt very uncomfortable with their overall financial position.

What can we take from this?

We see long-term goals gaining importance among Millennials, parents, and higher-income households. Yet, if those same parents aren't also in higher-income households, and therefore not necessarily in a position to take action in support of those long-term goals, we believe it would make sense to ease the way for extended family to step in to help out.

As a widely understood and accepted tool for long-term financial planning, it feels the current rules around who can set up a JISA are at odds with how families today actually prioritise their financial goals. The findings show the most important goal for Baby Boomers is leaving their family an inheritance – providing the means through which they could pass on a 'living' inheritance seems sensible. People are ready to act. Yet the rules are holding them back.

That is put into stark relief when looking at comfort levels. Older and more financially stable households are more likely to feel secure. It is our contention that young families with limited means but with comfortably off relatives who are willing and able to support them shouldn't be held back by the unintended consequences of one line in the JISA rules. Expanding access to JISAs through a change in the rules for who is allowed to set one up, could potentially remove a key barrier to wider family stepping in to help build financial resilience for less secure households.

Families are ready to plan long-term. But the product rule isn't in step with real family dynamics.

Section 4: Junior ISAs - A Small Change To Make A Big Impact

Questions are included about JISAs specifically to help inform views on potential JISA reforms. Sentiment towards JISA reform will be monitored quarterly.

Most of the questions are directed at parents of children under 18, but one JISA question was asked of all respondents to explore the level of support for expanding who is eligible to open a JISA on behalf of a child.

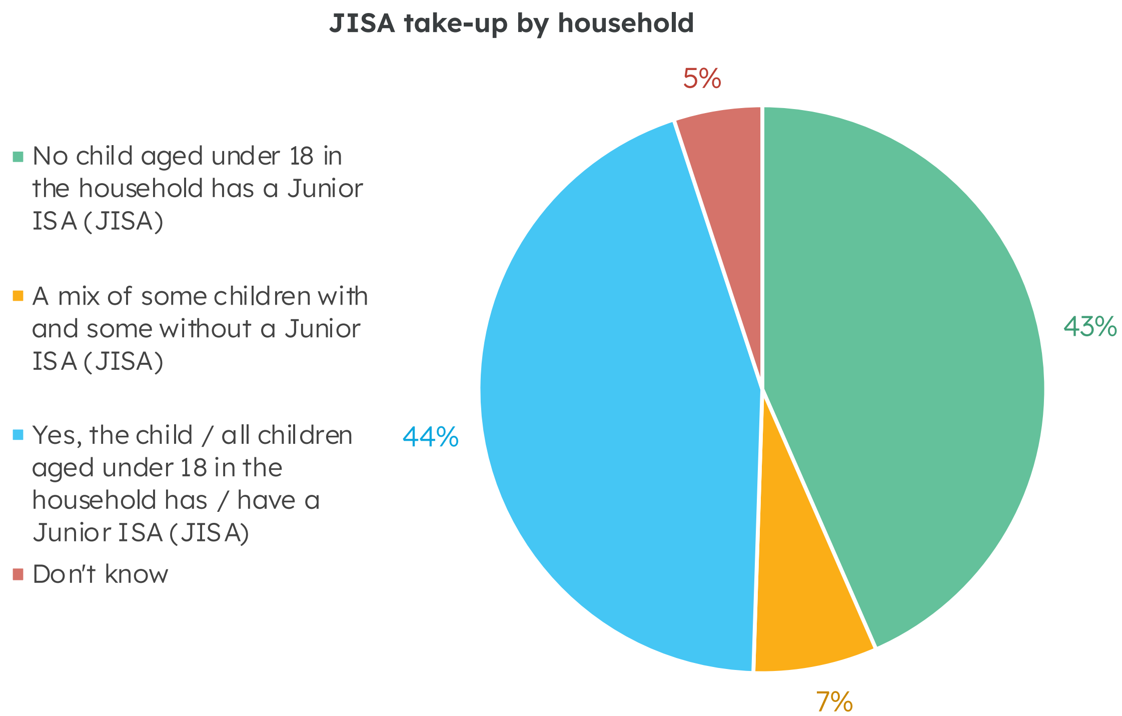
Thirty-one percent of respondents reported having a child under 18 in the household. Among these:

- 5% have a baby under 1
- 35% have a preschooler aged 1–4
- 48% have a child of primary school age (5–10)
- 35% have a child aged 11–15
- 17% have a child aged 16 or 17

JISA take-up by household

Half of parents (51%) reported having a child with a JISA, while under half (43%) did not. This exceeded 100% due to some parents having multiple children—some with a JISA and some without (7%).

Parents with higher household incomes are more likely than those with lower incomes to have opened a JISA for their child.

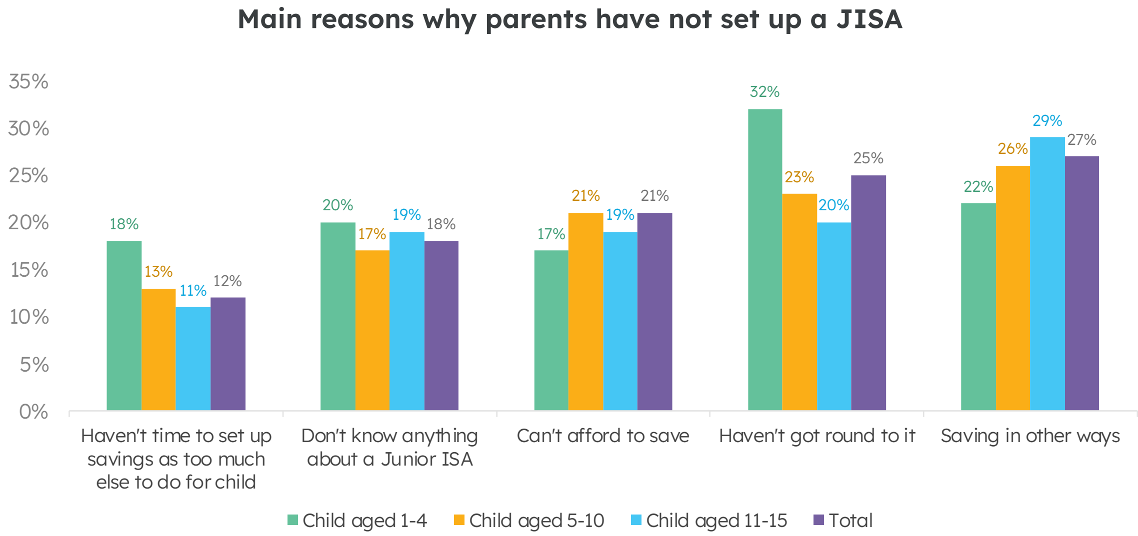


Reasons why parents have not set up a JISA for their child / children

The main reasons parents had a child without a JISA are that they are saving in other ways (27%), they hadn't got around to it (25%), or they couldn't afford to save (21%).

Parents with younger children (under 5 years old) are particularly likely to say they hadn't got around to it:

- 30% of those with a baby under 1
- 32% of those with a child aged 1–4
- Compared to 23% with a child aged 5–10
- And 20% with a child aged 11–15



Likelihood of setting up a JISA for a child if current rules are relaxed

Current JISA rules state that only parents or legal guardians can set up JISAs for their children. Among the general population, 28% of people said that if the rules are changed to allow other family members—aside from parents or legal guardians—to open a Junior ISA, they would be likely to consider setting one up for a child who is not their own.

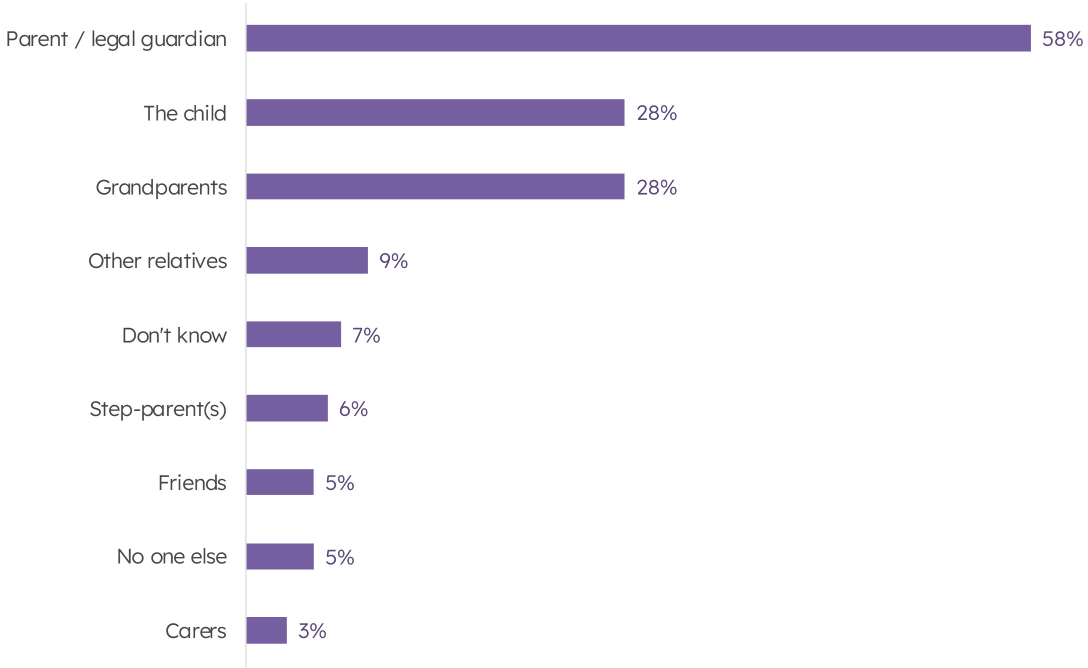
Those who have saved or invested more in the past 12 months (compared to Q1 2024) are even more likely to say they would consider setting up a JISA for someone else's child. This group tends to be motivated by a desire to support future financial goals and an increased awareness of the importance of saving and investing.

Among grandparents, 32% of those with grandchildren aged 6–10 said they would be likely to consider setting up a JISA for a child that is not their own, as did 31% of those with grandchildren under age 6 or aged 11–15.

Parents' desire for wider family involvement in JISAs

There is clear appetite among parents to allow other relatives to set up a JISA on their child's behalf. Thirty-one percent of parents with a child under 10 years old said they would like grandparents to be able to do so. Just 5% of all parents said they would not want anyone else to have that ability.

Parents desire for family and friends to be able to open a JISA



At a glance

- Half of parents had set up a JISA for their child; as expected higher-income parents are more likely to have done so.
- A significant proportion of UK adults would consider opening a JISA for a child who isn't their own if the rules are relaxed. In particular, grandparents showed strong interest.
- A significant proportion of parents want wider family (especially grandparents) to be able to open a JISA; only 5% oppose it entirely.

What can we take from this?

Our Family Finance Tracker clearly shows there's demand for broader access to JISAs; many parents want grandparents and extended family to be able to set one up. And that is matched by the number of UK adults who would be likely to set one up for a child that wasn't their own if the rules allowed it.

In addition, there is a growing understanding of the importance of saving and investing. However, circumstances for many parents prevent them from being able to take action in the early years of their child's life, meaning the child potentially misses out on several years of compounded growth.

Expanding access to opening a JISA would enable the whole family to play an active role in helping to build a child's financial resilience for when they enter adulthood. This is about ensuring willing grandparents, uncles, and aunts are not prevented from doing so because of a single line in the rules which determines that only parents or legal guardians can set one up on the child's behalf.

A significant number of parents want it. An equal number of wider family is willing to step up to help out. Yet, the current rules stand in their way.

Conclusion

We believe a small change in the Junior ISA rules to remove the restrictions on who is eligible to set one up on a child's behalf, to extend it to wider family members, could make a big difference for many children across the UK who don't currently have a JISA product set up for them.

We believe it could mean more children benefit from more years of compound growth because relatives are able to take the admin burden off new parents. We know that having a financial buffer going into adulthood, however modest, is important for maintaining financial resilience. We believe changing the rules has the potential to ensure more children who might otherwise not have a JISA set up for them benefit from the financial buffer it could provide them.

We are calling on the government, as it looks at ISA reform more generally, to grasp this opportunity to help set more children on the path to greater financial resilience with the help of extended family – many of whom our research shows are clearly willing to step up to help out.

In short, we would like to see:

- Junior ISA set-up eligibility expanded to include extended family.
- The promotion of family-wide savings education which is aligned with financial behaviour trends.
- Awareness raised of what it means to have financial resilience.

It's important in the endeavour to drive positive change, that we don't leave the children behind.

Contact

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