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Adviser update

August 2026

Welcome to the August Adviser Update.

A chance to meet advisers

I enjoyed the opportunity to escape the office and meet advisers during July. I love hearing about your businesses, your growth plans and how we can strengthen our partnership. In some cases, it is incredible to reflect on the progress we have made collectively. I wanted to share some of the common discussion topics. I am often asked to re-confirm our commitment to personal service and, of course, I do. We continue to make changes and embrace technology e.g. live chat for client queries, specialists for transfers, trusts, deceased but always with an ambition to improve personal service and make financial planning easier. The second most common discussion point is related to trusts. More advisers are increasing their focus on bonds and trusts.

Some advisers are reviewing the trust, technical or legal skills they need in their business. They are also reviewing processes and third-party support – particularly related to corporate trustees. Following the launch of our Flexible Reversionary Trust (FRT), we are conscious that you need a panel of reliable and cost-effective partners in this space. It has been great to hear positive feedback on our online chargeable gain calcs for one-off bond withdrawals (see TOL - recent enhancement article and the embedded video). You may also want to consider watching our Tech 30 webinar Onshore vs Offshore Bond: Choosing the right wrapper for your client.

Some advisers who are reviewing their AI and CRM tools were interested in my views on future technology ecosystems. It is clear some advisers want more data and instructions via APIs so they can develop agentic processes – especially for client reviews. This is a key part of our API roadmap. Finally, I received a few questions on the ISA reforms (see previous AU article) and wanted to confirm that we are reviewing our auto-sell functionality. As you know, auto-sell triggers at 0.25% and tops up to 2%. We are going

Topics covered in this month's adviser update:

to give advisers more flexibility to reduce the top up level to 0.5%. We will also consider further changes based on adviser feedback.

Your role in the cash interest debate

I'm sure you've seen our efforts on shaping the debate and regulatory policy around cash interest disclosure and fair value. Now is the time for us all to act. If disclosure of cash interest matters to you, make sure you share your views with the FCA and help shape better outcomes for clients (read Consultation paper). You may never have completed a response to a consultation paper before but it's very easy to do and the FCA genuinely welcome views from across the industry – simply complete this online free text form here. If you want to get up to speed on the latest FCA proposals, I recently discussed cash interest retention with James Daley (Fairer Finance) and Jack Gilbert (Citywire New Model Adviser). We agreed that cash interest retention levels have increased significantly since the FCA's Dear CEO letter in 2023. In my view, greater transparency—through clear disclosure of cash interest charges and retained interest in both £ and % terms—would help advisers and clients better understand costs, compare platforms fairly, and make more informed decisions. You can listen to the full episode 33 on Spotify or Apple Podcasts.

Improvements to our proposition

We have also strengthened our cash proposition and DIM offering this month. You and your clients can access a Lloyds International term deposit within the Transact Offshore Bond, offering predictable fixed returns for clients with international financial interests – rates and durations are available on TOL (e.g. 3-year term with a rate of ~4.87% p.a.). This proposition improvement was suggested by an adviser who was winning clients from private banks but struggling to move their cash assets to Transact. When interest rates rise, our term deposit proposition becomes more popular with advisers. Finally, the Dimensional MPS is now formally live on Transact. More choice and competition is great for advisers and customers. The DIM fee is priced at 6 basis points plus underlying fund costs. Many advisers have partnered with Transact and Dimensional and we are already seeing strong flows into the new offering.

Awards and events

I want to recognise all the paraplanners who work with Transact. We were delighted to win best platform at the Professional Planner awards – thank you to those who voted for us. We must keep improving and never be complacent. I recently recorded a podcast on platform charges for the Paraplanners' Assembly which may be of interest (listen on Spotify or Apple) and there is a further podcast with them featuring Andrew Cullen-Jones on adviser technology due imminently.

We have decided to move our succession planning event from an in-person meeting to a virtual format to make it easier for those that would like to attend. This will be a great opportunity to hear from a select number of buyers and a broker, share your experiences, discuss succession planning challenges, and hear how peers are approaching the topic within their businesses. If you haven't already confirmed and you would like to attend, please contact successionplanning@integrafin.co.uk. We will be holding Connect events in London (available to all not just those in the south east), Warrington and Cardiff during October and November, plus a further seven breakfast events later this year. All our in-person regional breakfasts and Connect events are detailed on our events page. There are also several MPS events where you can hear from both BlackRock and our Head of Technical, Mark Fenlon. Dates are detailed in the Transact-BlackRock MPS update.

Annual feedback surveys

Towards the end of August, we will be issuing our annual Adviser and Client Surveys. You will receive a survey directly, and some of your clients may also be invited to share their feedback. We appreciate that surveys are often not top of any priority list but we greatly value these insights. They help us continue to improve our service and platform, shape our prioritisation on development and are definitely a worthwhile exercise.

Thank you for your continued support.

Kind regards,

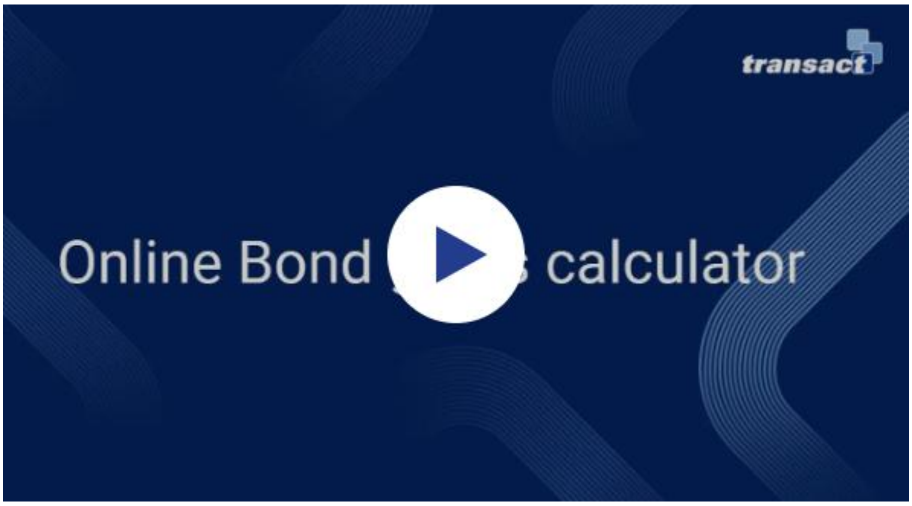
Tom Dunbar
Chief Executive Officer

2. Transact Online (TOL) – recent enhancements

Transact Online continues to evolve, and this month we reflect on a recent popular implementation. We're excited by some initial feedback from a senior paraplanner:

"Thanks for your session the other week on the new Bond calculator – really useful that we can see that figure live on the platform. Transact are miles ahead of other providers on that!"

- **Bond Withdrawals & Chargeable Gains Calculations -** You can complete one-off bond withdrawal chargeable gain calculations on TOL, with gains presented on both a proportional and segmental basis. The preferred basis can be selected and a withdrawal submitted within a single instruction. This provides you with increased efficiency from a streamlined process which reduces the time required to assess and process withdrawals. It also provides you with information much faster, as the calculations are presented instantly on screen, and gives you access to better decision-making tools as you can compare options straight away and select the most appropriate withdrawal method.



Please contact your Adviser Support Manager (ASM) or Business Development Manager (BDM) if you would like more information - their details can also be found under Contact on Transact Online.

3. New Lloyds International offshore bond term deposit

We are pleased to share that Transact has expanded its range of cash and fixed income solutions – welcoming Lloyds International to the list of underlying depositor banks that clients may choose from when considering an Offshore Bond Term Deposit.

Designed for clients seeking certainty over returns within a tax-efficient investment wrapper, the Offshore Bond Term Deposit brings together the simplicity of a fixed-term deposit and the flexibility of an offshore bond structure. It may be particularly relevant for clients with complex tax considerations or international financial interests.

The deposit component provides a fixed rate of return over a pre-agreed term, helping clients secure certainty in an evolving interest rate environment. While the product is held within a Transact offshore bond, the underlying capital is deposited with Lloyds International, with interest known in advance, supporting cashflow planning and portfolio stability.

Within the offshore bond structure, clients may benefit from potential tax deferral, allowing returns to roll up gross without immediate UK income tax liability. This can support long-term compounding and provide greater flexibility around the timing of withdrawals, subject to individual circumstances and tax treatment.

Available seamlessly through Transact, the Offshore Bond Term Deposit can be incorporated into existing client portfolios alongside other investments, providing a straightforward way to diversify holdings with a fixed-return component. A range of term options and fixed rates are expected to support a variety of client objectives and investment time horizons.

This launch reflects our ongoing commitment to providing advisers with access to high-quality solutions through the Transact platform. By combining the tax-planning features of a Transact offshore bond with deposits placed with Lloyds International, this new offering provides an additional option to help advisers deliver tailored client-focused advice.

If you would like to learn more, please contact your regional Adviser Support Manager (ASM).

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4. Sustainable investment conference

If you have clients interested in sustainable, responsible and ethical investing, you may wish to note the upcoming SRI Services and Partners Good Money Week event.

This annual sustainable investment conference for financial services professionals will take place at **The Mermaid, Blackfriars, London, on Thursday 1 October 2026, overlooking the River Thames**.

The full-day event is designed for retail financial services intermediaries, including wealth managers, financial advisers, financial planners, fund selectors and related professionals. Attendance is free for these groups.

Delegates will hear from leading fund managers and sustainable, responsible and ethical investment experts on the following topics:

- the forthcoming Adviser Sustainability Group report, providing sustainable investment guidance for advisers and wealth managers as requested by the FCA
- the impact of geopolitics on sustainable and ethical investing
- emerging issues and opportunities
- the transition to net zero, and

other key developments in sustainable investment.

Event details:

- Main event: 9.30am - 5.00pm followed by a drinks reception
- Tickets: available now via Eventbrite
- Agenda: Go to SRI Services events page for this year's agenda and videos from previous events
- CPD: approximately six hours
- Cost: free to attend thanks to the event partners

Please note that delegate details may be shared with event partners. SRI Services reserves the right to refuse entry or charge a fee to individuals outside the intended audience.

5. Electronic alternatives to client cheques

Protecting client money is one of our highest priorities.

For this reason, we strongly encourage all advisers and clients to use electronic payment methods wherever possible. In line with Consumer Duty both platforms and financial advisers must ensure they are delivering good outcomes and preventing foreseeable harm to their clients. Therefore, we have a joint responsibility in making sure client deposits are received safely.

Depositing money via bank transfers and direct debits are not only the safest options, but also the fastest and most efficient ways to send money to us. When sending the money electronically you can set up an expected deposit and queued purchases with one instruction and we will do the rest. This not only saves you time but also leads to your clients' deposits being invested a lot quicker.

Did you know?

Clients can now set up direct debit instructions on Transact Online without the need for a signed instruction. The bank account is verified in real time, allowing the direct debit to be set up with minimal delay. This change supports both regular contributions and one-off deposits.

We understand that for some clients, electronic payments may not be suitable. However, payment of contributions from your clients by cheque via the Royal Mail should be a last resort due to the risk of interception or fraud.

If your client insists on sending a cheque to Transact, we encourage using UPS for delivery. We will help to support the usage of UPS by advisers using our account to pay for delivery of cheques. The Sales Support team are available to provide clear instructions on how to arrange a UPS delivery, including packaging, labelling, and tracking your cheque securely to our offices.

If you have any questions about payment methods or require further guidance on secure ways to send funds to Transact, please do not hesitate to contact us. Our team is always available to provide guidance and assistance to ensure the safety of client assets.

6. The emergence of data lakes

Over the past year, “data lakes” have become a more common topic of conversation among advice firms. Often mentioned alongside AI, dashboards and digital transformation, the term can sometimes feel more like a technology buzzword than a practical business solution.

In simple terms, a data lake is a central repository that brings together information from multiple systems, such as CRMs, investment platforms, back-office software, reporting tools and document management systems. Rather than holding data in separate silos, a data lake allows firms to consolidate, organise and analyse information in one place. In most cases, it sits behind the scenes in a cloud environment, with users interacting only with the reports, dashboards or AI-driven insights it helps power.

Interestingly, firms rarely start by saying they want a data lake. Instead, the conversation usually begins with broader business objectives: creating a single view of the client, improving reporting across systems, or exploring how AI can add value. As firms pursue these goals, they often discover that fragmented or inconsistent data is one of the biggest barriers to progress.

AI is undoubtedly accelerating interest in better data management. The more sophisticated the questions firms want to ask, the more important it becomes to have high-quality, accessible and connected information. A data lake is one way of achieving this, but it is not the only route.

At Transact, we do not take a prescriptive view on whether firms should build a data lake. Technology is evolving rapidly, particularly with the emergence of AI and new integration standards, making it difficult to predict a single “right” approach. Instead, our focus is on helping firms access and use their data effectively, whatever strategy they choose.

The Transact API plays an important role in this by providing secure, governed access to consistent and up-to-date information. Whether a firm is building a data lake, creating integrated reporting solutions or enabling AI tools to access data directly, the API provides a reliable foundation for modern data architectures.

The reality is that not every advice firm needs a data lake. Smaller firms are often focused on getting more value from existing systems, while mid-sized firms may prioritise joined-up reporting. Larger firms and consolidators, with more complex data requirements, are more likely to invest in dedicated data platforms.

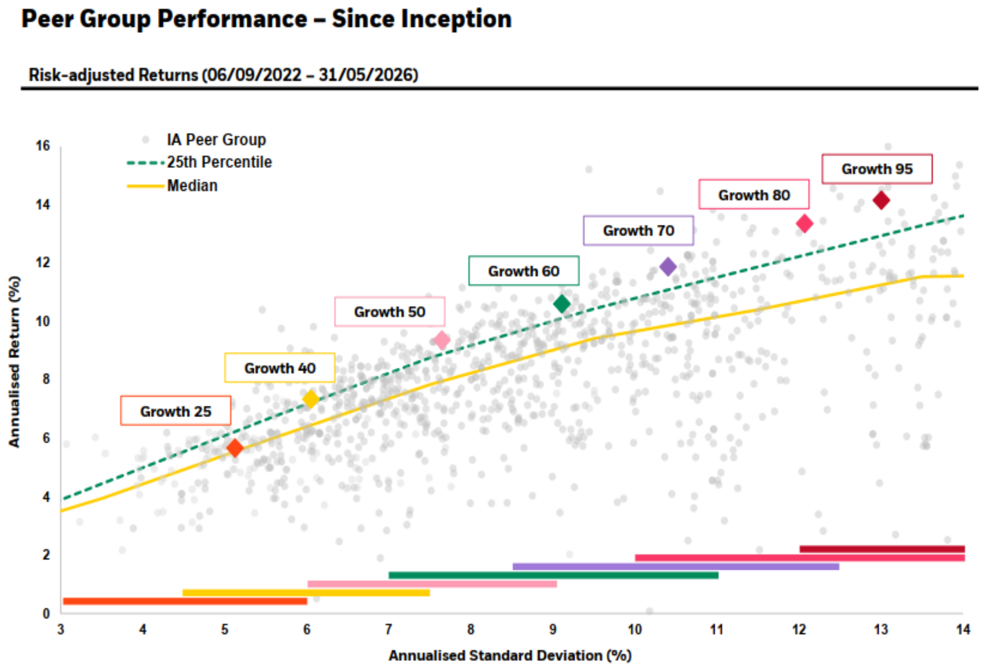
Ultimately, the question is not whether a firm needs a data lake, but what it wants to achieve with its data. While the technology landscape will continue to evolve, firms that focus on improving the quality, consistency and accessibility of their data will be best placed to take advantage of whatever comes next.

If you would like to discuss further please get in touch with Tom Phillips, the Integrations Manager, at tphillips@integrafin.co.uk

7. The Transact–BlackRock MPS update

Latest peer group performance

We're pleased to report that all models continue to perform well against their peer groups on a risk-adjusted basis, while remaining within their defined risk targets. Importantly, this strong performance has been delivered while keeping portfolios within their intended risk levels, helping advisers remain aligned to client objectives through different market conditions.



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. BlackRock, Morningstar as at 30/05/2026. For illustrative purposes only. Performance numbers are in GBP, official net with inception date of the model portfolio range at 6 of September 2022. Peer group performance shows net, total return performance of GBP denominated multi-asset portfolio's available for UK investors, illustrated by the Investment Association's Mixed Investment, Volatility Managed and Global Investment sectors.

MPS reporting support for advisers

Staying close to the detail

Clear, regular investment reporting is a vital part of helping advisers stay close to client portfolios. For the Transact – BlackRock MPS, we have a range of monthly and quarterly materials available to support your conversations, client reviews and ongoing due diligence.

- The **Monthly Factsheets** provide a client-facing summary for each of the seven model portfolios, covering objectives, risk profile, performance, charges and current holdings. They are designed to give clients a clear snapshot of the model they are invested in, including asset allocation, regional exposure and key investment risks.
- For a quicker overview across the whole range, the **Monthly Performance Summary** brings together performance for all seven models in one place. It includes cumulative returns, annualised returns and annual performance, helping advisers review the range consistently and efficiently each month.

- The **Quarterly Investment Summary** provides a deeper view, including market commentary, portfolio positioning, risk, performance review and peer group performance. It is particularly useful for advisers looking to understand how the portfolios have performed, what has driven returns and how the range is positioned.
- When BlackRock rebalance, or make changes to the portfolios, the **Rebalance Commentary** explains the latest positioning and the rationale for asset allocation changes. The commentary sets out BlackRock's current themes and views alongside the portfolio changes made during the period.

All of these reports are available on our dedicated landing page on Transact. Simply log in and go to **Templates > Transact – BlackRock MPS**. This is also where you can access the latest investment reports, literature and commentaries.

Finally, our **monthly MPS Newsletter** remains a simple way to stay up to date. It includes the latest market commentary, portfolio positioning and performance updates, helping advisers keep informed without having to search for the detail each month. If you'd like to be added to the distribution list please just drop us an email TransactMPS@intgerafin.co.uk.

Autumn Retirement Strategies Lunches

Following the success of the Spring and Summer programme, our Retirement Strategies Lunches will continue throughout the Autumn.

Hosted jointly by Transact and BlackRock, the sessions bring together investment and technical planning expertise to explore retirement investing, cashflow planning and withdrawal strategies in a practical adviser-focused format.

Upcoming locations include:

When		Where	Register
15 Sep 2026	12pm -2pm	Manor Hotel, Solihull	Solihull | Register Here
23 Sep 2026	12pm -2pm	Oulton Hall, Leeds	Leeds | Register Here
13 Oct 2026	12pm -2pm	Pennyhill Park, Surrey	Surrey | Register Here
25 Nov 2026	12pm -2pm	The Ivy, Bournemouth	Bournemouth | Register Here

Unstructured CPD accreditation will be available to all attendees.

More information and get in touch

If you have any questions about the service, need help with managing client wrappers linked to BlackRock or need to know where to find the latest marketing support material, please get in touch using our dedicated MPS support mailbox or phone line.

Email: *TransactMPS@integrafin.co.uk*
Telephone: 020 7603 8025

8. A comparison of three key trusts: The Gift & Loan Trust, The Discounted Gift Trust (DGT) and the Flexible Reversionary Trust (FRT)

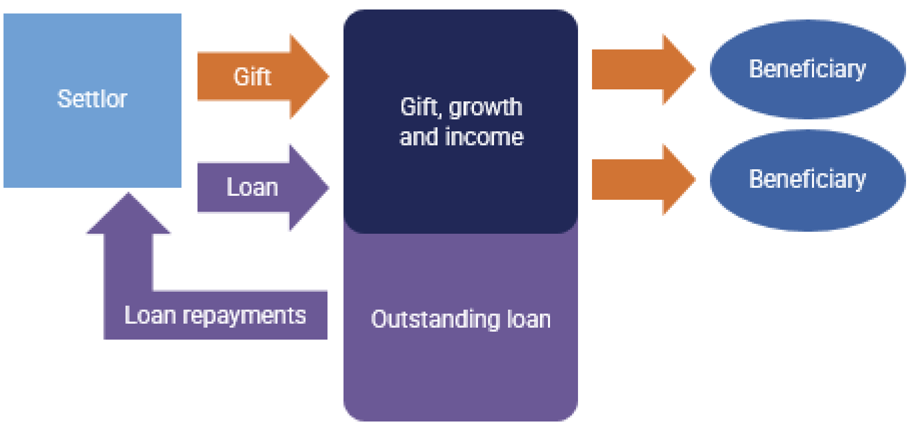
Gift & Loan Trusts, Discounted Gift Trusts (DGTs) and Flexible Reversionary Trusts (FRTs) are commonly used IHT planning structures that let a settlor retain some form of access. They're often considered alongside each other as each can make payments back to the settlor, but the mechanics and the outcomes for a client's estate are quite different. We've been having lots of conversations with advisers all across the UK about these three structures and how they compare, here is a summary below based on our understanding . This comparison is based on the specimen wordings that Transact offer, the features available from other providers or the terms of other trusts may vary.

How each trust works

Gift & Loan Trust

- The settlor creates a trust with a small gift (often covered by an available inheritance exemption such as the annual exemption) and then a much larger loan to the trustees. The gift and the loan are then invested.
- The loan can be repaid to the settlor in instalments (e.g. 5% p.a. over 20 years) or can be recalled on demand. Any outstanding balance is repayable on death of the settlor. The loan can be waived by the settlor at any point, including in their will. During the life of the settlor, waiving the loan will be a transfer of value. Where the loan is released under the terms of the settlor's will, the outstanding loan balance will still form part of the settlor's estate for IHT purposes.
- Any growth on the trust fund attributable to the loaned capital will generally accrue outside the settlor's estate from the date of settlement.
- In effect, this type of arrangement is a gift of the future income and capital growth on the loan and the longer the loan remains in the trust the more beneficial this type of trust will be.
- We have specimen wording for bare and discretionary trusts.

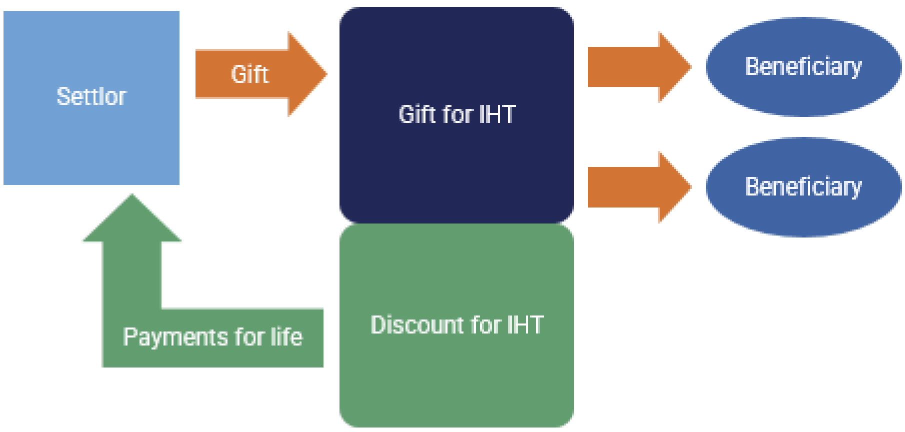
Gift and loan trust



Discounted Gift Trust (DGT)

- The settlor gifts a capital sum into trust in return for a fixed series of payments for life. These amounts can be paid in annual, quarterly or monthly instalments and are fixed for life.
- Broadly speaking, the capital cost of those payments is calculated at the outset and this reduces the settlement value for IHT purposes (the "discount" element of the DGT).
- As the capital cost of the income will vary based on the age/life expectancy of the settlor, it is recommended that the settlor undergoes medical underwriting. This should limit the possibility of any challenge to the discount if the settlor dies shortly after making the gift.
- From an IHT perspective, the amount of the discount is outside the estate immediately; the balance of the gift is a Potentially Exempt Transfer or Chargeable Lifetime Transfer (depending on trust type).
- As the trust provides payments that are fixed for life from the outset, a DGT can help support a client's need for income.
- The trustees usually invest in a bond and make use of the 5% tax deferred withdrawal allowance to make payments to the settlor.
- We have specimen wording for both a bare and a discretionary trust.

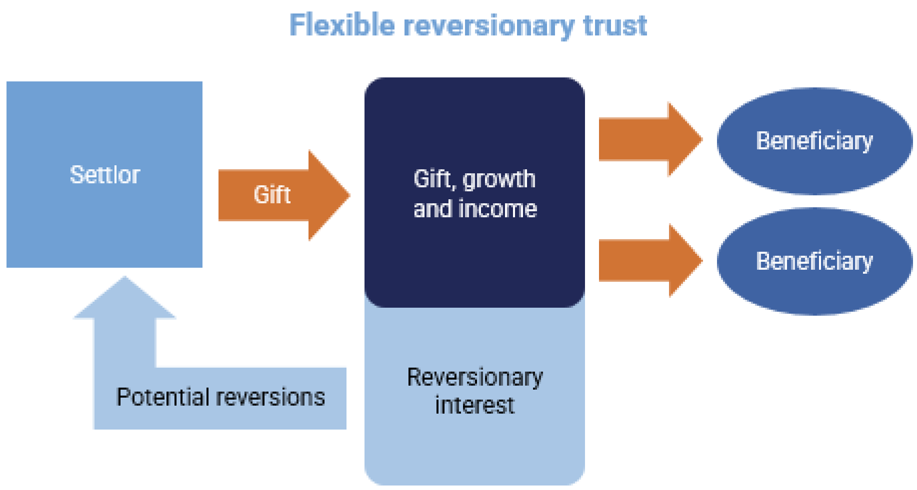
Discounted gift trust



Flexible Reversionary Trust (FRT)

- The settlor pays a premium to establish a bond which is written into trust. Both our onshore and offshore bond are available for use with our FRT but it is only available as a discretionary trust. This means that the settlement should be a chargeable lifetime transfer.
- The bond consists of 1,000 policies by default, although a smaller number can be selected.
- At the outset, the settlor specifies how many policies they would like returned to them at each "vesting date" (vesting dates coincide with policy anniversary dates)
- If the settlor is alive at the vesting date, they become entitled to the policies specified in the schedule.
- However, the trustees have the power to defer the vesting dates or override the settlor's entitlement. So, before each vesting date, the trustees can decide whether the payments should be deferred until some future point, or distributed to beneficiaries.

- If no action is taken, policies vest automatically on the vesting date specified in the schedule of the trust deed.
- By having the power to defer the settlor's entitlement, the trustees have the flexibility to only make the policies available to the settlor if they are required.
- On death of the settlor any policies that have not reverted to the settlor are held on trust for the beneficiaries.
- The settlor's entitlement is to policies of the bond, the value of which will change over time.
- Good record keeping of the trustees' decisions is essential and we recommend considering the use of professional trustees to assist with the administration and maintenance of the trust.



Trust comparison summary

	Gift & Loan Trust	Discounted Gift Trust	FRT
Gift for IHT	Nominal – loan stays in the settlor's estate	The gift for IHT is reduced by the capital cost of the future payments	Full value of settlement – no discount
Settlor access	The amount of the outstanding loan	Fixed payments for life, set at outset	Scheduled bond policies subject to trustee discretion to defer.
Flexibility of settlor access	Loan can be recalled at any time or waived	Payment amount fixed at outset	Trustees may defer or allow vesting in accordance with the trust deed.

	Gift & Loan Trust	Discounted Gift Trust	FRT
Underwriting	Not required	Medical underwriting is normally undertaken to support the discount calculation	Not required
Impact on estate	All growth and income, outside of the estate – the loan itself remains in the estate until repaid or waived	Discount immediately outside of the estate; balance on survival of 7 years	Value remaining in trust may fall outside the estate after seven years

Important: The information above is intended as a general guide only. The tax treatment of a trust will depend on the trust deed, the settlor's circumstances and prevailing legislation and HMRC practice, which may change in the future.

In summary

Gift & Loan Trusts, Discounted Gift Trusts and Flexible Reversionary Trusts all seek to reduce the value exposed to inheritance tax whilst allowing the settlor to retain some level of benefit. The mechanisms used to achieve this are fundamentally different: a Gift & Loan Trust retains a repayable loan, a Discounted Gift Trust retains a fixed right to future payments, and a Flexible Reversionary Trust provides conditional rights to future bond policies. Understanding the nature of the retained benefit is key to determining the IHT treatment, the level of flexibility available and whether the arrangement is suitable for a client's wider financial objectives.

If you have a question not covered above, or would like to discuss a specific client scenario, please contact Transact Technical Support: Technical_Direct@integrafin.co.uk or call 020 7608 5330.

All information is based on our understanding and interpretation of applicable law and regulation which is subject to change. Tax treatment depends on individual client circumstances and may change in the future.

9. Income tax and personal allowance changes from April 2027

With significant changes to both pensions and Individual Savings Accounts due from April 2027, advisers should not overlook the other Income Tax changes taking effect at the same time. These include higher rates of tax on savings income, new separate rates for property income, and changes to the ordering rules for the personal allowance and certain reliefs. The combined effect may increase tax liabilities for clients with a mix of earned income, pension income, savings interest, property income and dividends.

1.Background

In the 2025 Autumn Budget, the Government confirmed a package of Income Tax changes taking effect in two stages. The dividend rate increase already applies from 6 April 2026. The remainder — new property income rates, higher savings income rates, and a mandatory personal allowance/relief ordering rule — apply from 6 April 2027. Legislation to enact these changes was included in the Finance Act 2026.

With the increase to dividend rates of tax now in force, the outstanding changes that are likely to matter most for clients are:

- Savings income rate increase, taxed at 2 percentage points above the main income tax rates.
- Property income becomes its own category, taxed at rates 2 percentage points above the main income tax rates.
- The personal allowance (and other unrestricted reliefs) must be set against earnings/pension-type income first — clients will lose the flexibility to redirect the allowance to whichever income type currently gives the best result.

2. Rate and allowance changes — rest of UK (England, Wales, Northern Ireland)

Income type	2026–27	2027–28 onwards
Personal allowance	£12,570 (tapered £1 per £2 of income over £100,000, lost entirely above £125,140)	Unchanged — £12,570, same taper, frozen to 2030–31
Earnings, pensions, trading profits, etc. ("Income A")	Basic 20% / Higher 40% / Additional 45%	Unchanged — 20% / 40% / 45%
Basic rate band / additional rate threshold	£37,700 / £125,140	Unchanged — £37,700 / £125,140

Income type	2026–27	2027–28 onwards
Property income	Taxed as ordinary non-savings income: 20% / 40% / 45%	New separate rates: 22% (basic) / 42% (higher) / 47% (additional)
Savings income	20% / 40% / 45%	22% / 42% / 47% — same increase as property
Starting rate for savings	£5,000 at 0%, available where non-savings income leaves it unused	Unchanged, frozen to 5 April 2031
Personal savings allowance	£1,000 (basic rate) / £500 (higher rate) / nil (additional rate)	Unchanged
Dividend allowance	£500	Unchanged
Dividend rates	10.75% / 35.75% / 39.35% (already increased from 6 April 2026)	No further change currently announced

3. Rate changes — Scottish taxpayers

Savings and dividend income continue to be taxed at UK-wide rates. The new separate property income rates apply to England, Wales and Northern Ireland. For Scottish taxpayers, care is needed because property income sits within the devolved income tax framework unless and until separate Scottish property income rates are introduced under the new powers. Advisers should therefore check the position once the Scottish Budget and any commencement regulations are available.

Band	2026–27 taxable income (SRIT)	2026–27 rate	2027–28
Starter	£1 – £3,967	19%	Not yet set — 2027–28 SRIT bands are normally confirmed in the Scottish Budget, expected around December 2026
Basic	£3,968 – £16,956	20%	
Intermediate	£16,957 – £31,092	21%	
Higher	£31,093 – £62,430	42%	
Advanced	£62,431 – £125,140	45%	
Top	Over £125,140	48%	

Rates and bands per the Scottish Budget 2026-27; taxable income bands assume the standard £12,750 personal allowance is fully available.

Key points for Scottish clients from April 2027:

- The personal allowance, other reliefs and the new mandatory ordering rule apply identically to Scottish taxpayers — these are reserved UK matters administered by HMRC, not devolved.

- Property income rates remain a rest-of-UK measure for now. The UK Government has committed to devolve an equivalent power to Scotland (and Wales) to set a separate property rate, but this requires Scottish Parliament consent and, at the earliest, would apply from 2027–28 — the Scottish Government has not yet indicated what rate it would set.

4. Application of the personal allowance

Under the current section 25 ITA 2007 rules, allowances and reliefs are generally applied in the way that minimises an individual's Income Tax liability. In practice, this often means setting the personal allowance first against non-savings income, then savings income, then dividends, but the calculation can be adjusted where a different allocation produces a lower overall tax bill.

From 6 April 2027, this flexibility will be restricted. Where possible, the personal allowance and relevant general reliefs must first be deducted from income other than property, savings or dividend income. Only if there is any unused balance can it then be allocated against property, savings or dividend income in the way that is most beneficial to the taxpayer.

This matters because savings and property income will be taxed at higher rates from April 2027. In some cases, clients who currently benefit from allocating the personal allowance against higher-taxed income will lose that flexibility, increasing their overall tax liability.

5. Practical implications for advisers

- **Investment bonds and interest paying portfolios:** investment bond gains and interest will move from 20%/40%/45% to 22%/42%/47% from April 2027 — increasing the tax payable. Note also that the internal rates for onshore bonds will also be increasing by 2% and chargeable gains from onshore bonds will be treated as having the basic rate for savings tax (22%) already paid. While the tax differential between onshore and offshore bonds may become more relevant for some investors, the most suitable wrapper will continue to depend on the client's individual circumstances and future tax planning objectives.

- **Scottish clients with property:** monitor forthcoming Scottish Budgets — a separate Scottish property rate could be introduced from 2027–28 subject to Holyrood's agreement, which would change the England/Wales/NI vs Scotland comparison used in this note.

- **Timing:** because the ordering and rate changes bite from 6 April 2027, any restructuring of client investments, adjusting income mix between spouses, or accelerating/deferring bond encashments should be considered ahead of that date.

- **Autumn Budget 2026:** With a new Chancellor and Budget still to come, the future direction of tax policy remains uncertain. Advisers should continue to monitor announcements that may affect investment and savings taxation.

All information is based on our understanding and interpretation of applicable law and regulation which is subject to change. Tax treatment depends on individual client circumstances and may change in the future.

10. Interest on cash

To support adviser due diligence, we have completed our own desktop analysis of different platforms and their treatment of cash interest. This is based on our review of publicly available information.

The table below sets out current interest rates payable to clients on their cash holdings as well as the retained interest charges levied by the platform (where it is disclosed). Where it isn't disclosed, we have used information from the firm's report and accounts (again if available). We have also included links to the documents we reviewed in the table below. Note that all links to the documents we reviewed were accessed on 05 August 2026, and content may have changed since then.

Some documents are written for customers and advisers; other documents are written for investors. We recognise that it isn't easy for advisers and clients to find the necessary information, so the table below is our best endeavour at this based on the information that we reviewed.

Note, Aviva have announced a change to their approach. They will start to take a margin on the interest received on client cash. The platform has told advisers that from 17 August, it will remove its 0.35% platform fee on cash but will instead retain a portion of the interest. Similarly, we are also aware that SS&C Platform Solutions (formerly Hubwise) are altering their approach from the 1 August and are moving to retain 25% of cash interest earned. Given their different business and distribution model, we don't currently track SS&C on the table below.

Now that Aviva are changing their approach to cash, we wanted to recognise that some platforms do not retain any of the interest earned on client cash balances. For the first time, we have included cash interest rates for Soderberg and P1 platforms in the table below.

Please let us know if we have missed anything.

Platform	Published client cash interest rate	Explicit platform charge on cash (same level as for investments)	Platform charge on cash (through retained cash interest)	Is retained interest disclosed?	Is amount of retained interest charge disclosed?	Cash charges disclosed (interest retained)	Cash charges (interest retained)	Link to source
Transact	3.75%	✓	✗	N/A	N/A	0%	-	n/a
Aviva (current)	3.05%	✓	✗	N/A	N/A	0%	-	p 1
P1	3.00%	✓	✗	N/A	N/A	0%	-	Link 1
Soderberg	3.00%	✓	✗	N/A	N/A	0%	-	Link 1
Wealthtime Classic	2.85%	✓	✗	N/A	N/A	0%	-	Link 1 & Link 2
Fidelity	2.25%	✗	✓	Yes	No	-	Unknown	Link 1
Quilter	2.16%	✗	✓	Yes	Yes	1.16%	-	Link 1
Fundment	2.00%	✗	✓	Yes	No	-	Unknown	Link 1
M&G Wealth	1.98%	✗	✓	Yes	Yes	1.68%	-	Link 1 & Link 2
Aviva (After 17 August)[1]	1.93%	✗	✓	Yes	Yes	1.12%	-	Link 1

Platform	Published client cash interest rate	Explicit platform charge on cash (same level as for investments)	Platform charge on cash (through retained cash interest)	Is retained interest disclosed?	Is amount of retained interest charge disclosed?	Cash charges disclosed (interest retained)	Cash charges (interest retained)	Link to source
Nucleus Wrap	1.90%	✗	✓	Yes	Yes	2.10%	-	Link1
Parmenion[2]	1.88%	✗	✓	Yes	Yes	2.00%	-	Link 1
Aegon	1.81%	✗	✓	Yes	No	-	Unknown	Link 1
7IM	1.75%	✗	✓	Yes	No	-	Unknown	Link 1
Aberdeen	1.68%	✗	✓	Yes	No	-	2.51%	Link 1 & Link 2
AJ Bell[2]	1.28%	✗	✓	Yes	No	-	2.26%	Link 1 & Link 2
Wealthtime	1.04%	✗	✓	Yes	Yes	2.68%	-	Link 1

Note 1: for illustrative purposes, we have used Aviva's published example, which shows that a gross cash interest rate of 3.05% would result in a client rate of 1.93% under the new retained-interest model. Actual rates may vary if underlying cash interest rates change.

Note 2: assumes a £25,000 cash balance held in a SIPP

The rate we pay

As stated above, the annualised rate of interest earned on Transact cash, all of which we pass on to clients, for June 2026 was 3.75% (paid monthly) and this has been credited to client portfolios. Following further positive conversations with our banking partners, we hope to see it increase further in the coming months.

At the end of June 2026, clients held on average 7.84% of their portfolio values in cash.

We use eight UK-licensed banks: Barclays, Cater Allen, Clydesdale (now with Nationwide BS), HSBC, Lloyds, NatWest, Royal Bank of Scotland and Santander, and our treasury function expertly manages the cash across different notice periods (up to 95 days - the maximum allowed under the FCA's client money rules).

To help you and your clients when considering your FSCS exposures, details of the banks we use and the percentages held with each bank are updated monthly and published here.

11. Transact events 2026

Connect events in 2026

Our in person 2026 events start back in a matter of weeks. Please join us for an informative and sociable event.

At each event you gain access to our Transact leadership team and some of your regional client service operational staff. The event is hosted by **Tom Dunbar, our CEO** who will be joined by **Andrew Cullen-Jones, CDO** plus guest speakers. The agenda for the day typically includes:

- Welcome, Objectives and Agenda
- Priorities & Progress
- Marketing masterclass
- Technical update
- Transact CEO Q&A

Attending a Transact Connect event can also count towards CPD. Welcome refreshments will be served from 09:00am, with the morning presentations starting at 09:30am followed by a buffet lunch. You can be back in the office for the afternoon. To register click ***here***.

Date	Location	Venue
21 October 2026	London	Leonardo Royal London, St Paul's
4 November 2026	Cardiff	The Vale Resort
12 November 2026	Warrington	The Park Royal

Breakfast events in 2026

Our breakfast events are hosted by Stuart Fleat, our Head of Distribution, and you can expect:

- Latest tax and relevant regulatory news.
- Engagement with Transact staff and your fellow peers.
- A CPD certificate sent electronically following the event.

Each event will run from 08:30am to around 10:30am with a sit-down breakfast on arrival.
The dates are shown below. To register click ***here***.

Date	Location	Venue
10 September 2026	Portsmouth	The Solent Hotel
17 September 2026	Ashford	Eastwell Manor
24 September 2026	Glasgow	Radisson Blu
6 October 2026	Windsor	DeVere Beaumont Estate
15 October 2026	Huntingdon	Old Bridge Hotel
20 October 2026	Bournemouth	The Village Hotel