PRESS RELEASE

CHARLES STANLEY

Capital Gains Tax changes prompts DIY investors to reorganise investments

- 27% of DIY investors say they will use tax wrappers like SIPPs and ISAs to avoid increased CGT
- Others are planning to make fewer trades, and looking at assets with lower or no CGT
- 10% are okay with the CGT they currently pay and won't make any investment changes

During the Budget, the Chancellor increased Capital Gains Tax (CGT) for non-residential assets from 20% to 24% at the higher tax rate. The lower CGT rate will rise from 10% to 18%. The news marks an increase of at least 4% for those making gains from share sales.

As a result of this, more than a quarter of DIY investors (27%) say they will move more assets into tax wrappers or products like SIPPS and ISAs to be exempt from CGT, according to new research from Charles Stanley Direct.

Other ways they hope to pay less CGT include making fewer trades (23%) and reweighting their portfolio towards assets with lower or no CGT (21%).

Some pre-empted certain changes the Chancellor could make and took precautionary measures. 14% said they sold assets before the Budget in anticipation of the rise and are pleased they did, while others (10%) did the same but regretted their decision.

A number of investors came out unscathed, with 17% saying they wouldn't be making any changes to their investments as they don't pay any CGT. Another 10% said despite the increase in CGT, they wouldn't be making any changes to their portfolio as they are okay with the amount they currently pay.

Rob Morgan, Chief Investment Analyst at Charles Stanley Direct, comments: "DIY investors have been tasked with reevaluating their investments to make the most of their money following the announced increase in Capital Gains Tax. While the hike was less drastic than widely anticipated, it is still important to take stock and ensure your portfolio is correctly positioned, whether this is investing in tax-free assets or better utilising the whole family's tax-free allowances. However, tax considerations are only part of the equation. Hoarding cash in fear of being taxed on investments can also drag back the wealth building process, leading to stagnation of income rather than growth."

ENDS

Methodology
The research was conducted by Censuswide with 1,000 DIY Investors across the UK Research conducted between 08.11.2024 - 12.11.2024. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles and are members of The British Polling Council.

Generational divides are as follows: Gen Z (18-27), Millennial/ Gen Y (28-43), Gen X (44-59), Baby Boomers (60-78), Silent Generation (79+). Responses were not high enough in the Silent Gen to be statistically significant.

For further information please contact:
Olivia Nelson / Sam Peploe
Teamspirit
Charles-Stanley@teamspirit.uk.com
07392 106925 / 07810 512006

PRESS RELEASE

Joanne Higginson / Lucy Cotter
Charles Stanley
media@charles-stanley.co.uk

About Charles Stanley

Charles Stanley is a leading UK Investment Management Company. Its origins trace back to 1792. It provides services direct to private clients, charities, trusts and professional institutions. It also works with financial advisers, legal, accountancy and other professional services firms, supporting them with their client objectives.

It is dedicated to providing clients with the highest standard of service and peace of mind at every step of their financial journey, delivered by over 800 staff located in 26 offices across the UK. Its services comprise:

- **Investment Management Services**, offering personal discretionary, advisory and execution-only services.
- **Asset Management,** providing investment solutions serving retail, institutional and intermediary clients, such as our model portfolio service (MPS), mutual funds and fiduciary management.
- **Financial Planning**, advising clients on how to plan their finances to meet current and future lifestyles.
- **Direct Investment Service**, an award-winning digital execution-only platform that makes investing in a portfolio of funds and shares simple and cost-effective.

Charles Stanley & Co. Limited is authorised and regulated by the Financial Conduct Authority and is part of the Raymond James Financial, Inc. group of companies.

www.charles-stanley.co.uk