

THE  
INVESTMENT  
ASSOCIATION

# UNDERSTANDING AND AWARENESS OF ISAS – KEY FINDINGS

KEY FINDINGS FROM IA/OPINIUM ISA BAROMETER  
SURVEY

MARCH 2025



# Understanding and awareness of ISAs – Key Findings

This is the third year that the IA, in partnership with Opinium, has surveyed 1000 investors and savers as they approach the end of the tax year and make decisions on their ISA allocations. Each year we want to understand how well our respondents understand the tax incentives available to them and if they can navigate the different ISAs.

Our ISA Barometer survey helps us to understand how investors and savers think about using tax incentives to hold onto their investment and savings gains. It also gives us an insight into how they feel about investing now and in the future.

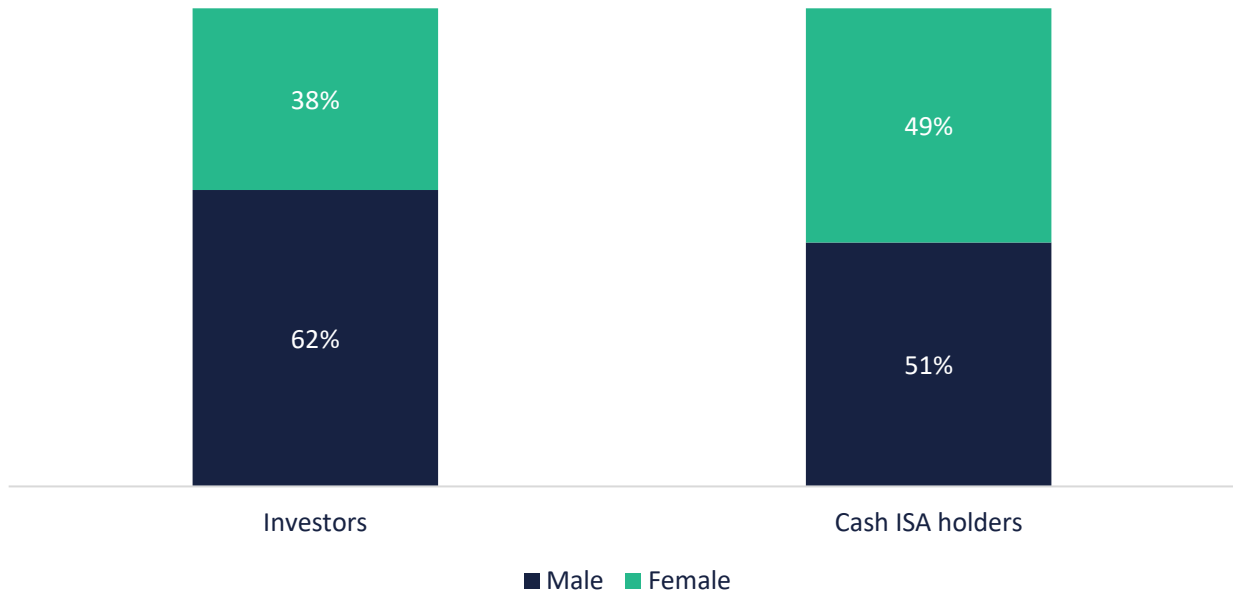
Ahead of the publication of our full ISA Barometer report, the IA has pulled out some initial findings to share as we approach the end of the 2024/2025 tax year and ISA season. Here we look at the headline findings around investor understanding of Stocks and Shares ISAs and compare these with how well they understand Cash ISAs. We also look at Junior ISAs (JISAs), where an 18-year horizon is well suited to investing. Why do parents choose a Cash JISA if they could select a Stocks and Shares ISA for their children and ultimately achieve a better return?

## Investor and Cash ISA profiles

Our survey finds that a higher percentage of investors are men – 62% compared with 38% of women, whereas the split between men and women who hold Cash ISAs is much more even (51% of and 49% respectively). Across different generations, the highest proportion of investors are Baby Boomers at just over a third of the investor sample (36%).

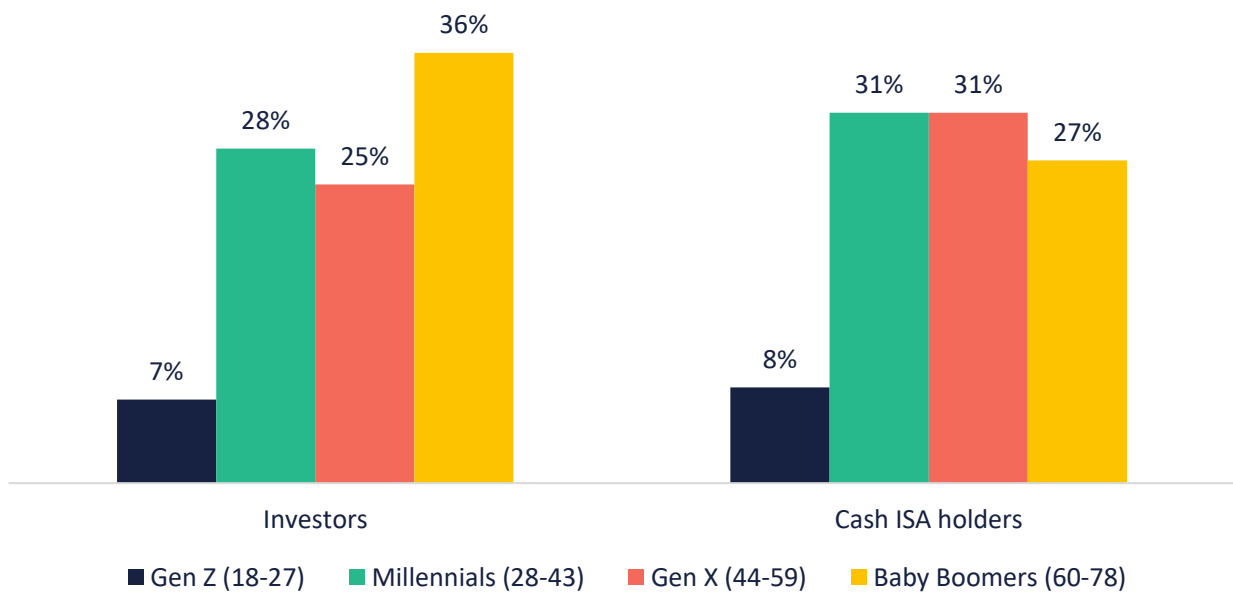
Amongst Cash ISA holders, there is a more even generational split across Millennials (31%), Gen X (31%) and Baby Boomers 27%. The data suggest that we can do more to convert younger generations from cash to the long-term benefits of investing.

Chart 1: Gender profile of investors compared with Cash ISA holders



Source: IA & Opinium, ISA Barometer Survey 2025 n=1000 investors n=951 Cash ISA holders

Chart 2: Generational profile of investors compared with Cash ISA holders



Source: IA & Opinium, ISA Barometer Survey 2025 n=1000 investors n=951 Cash ISA holders

## ISA AWARENESS AND ENGAGEMENT

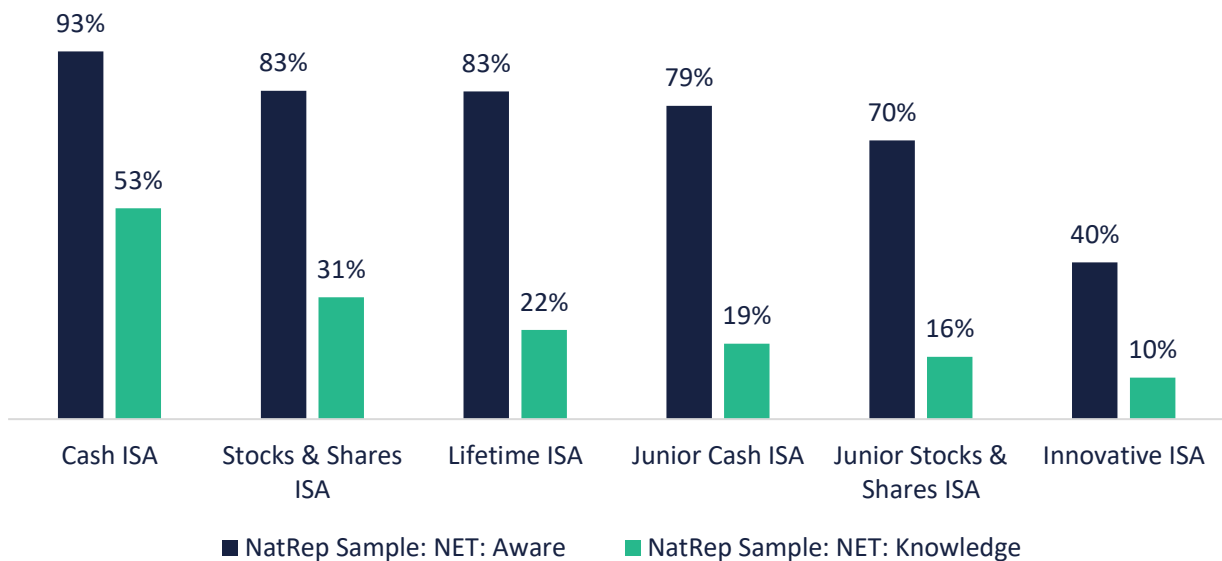
### Widespread ISA awareness, limited understanding

The UK's ISA system offers a globally recognised, tax-efficient savings and investment framework but a substantial knowledge gap persists—especially among the general population.

Over 83% of UK adults are aware of a Stocks & Shares ISA but a higher percentage (93%) have heard of a Cash ISA. This falls to 70% for a Junior Stocks and Shares ISA, which compares with 79% for a Junior Cash ISA.

Despite high awareness, UK adults do not feel that they know a lot about ISAs. Only one in ten (10%) Only one in five (22%) or less claim to have any knowledge about a range of ISA wrappers such as Lifetime ISA, Innovative ISA, Junior Cash ISA and Junior Stocks & Shares ISA. Even for Cash ISAs where knowledge is highest, only 53% of UK adults claim they have knowledge of Cash ISAs, compared to 93% who have heard of this product. Awareness of ISA contribution limits is also weak—74% of UK adults don't know the annual tax-free allowance for Cash or Stocks & Shares ISAs and 65% are unaware of the Junior ISA allowance.

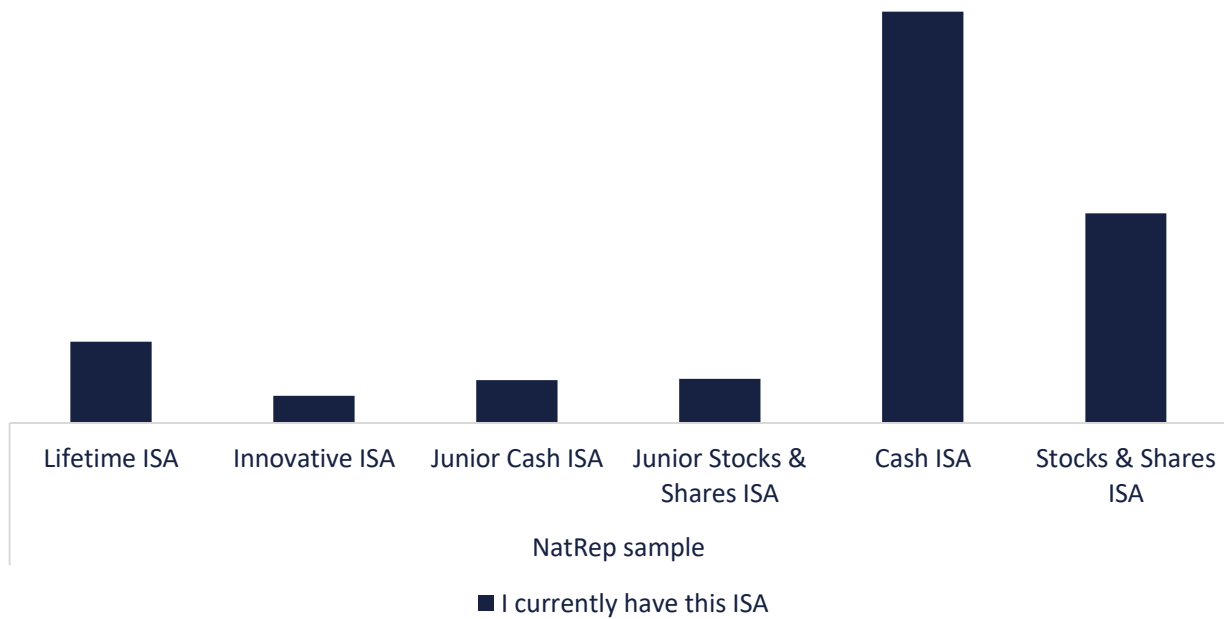
Chart 3: UK adult awareness and knowledge of different types of ISA



Source: IA & Opinium, ISA Barometer Survey 2025, n=2000

Cash ISAs remain the most widely used product—held by 31% of UK adults versus 16% for Stocks & Shares ISAs. A core group (39%) of Cash ISA only savers stated that no level of savings would make them feel comfortable enough to invest, but that means that 61% could get comfortable with the idea of investing. This presents a significant opportunity.

Chart 4: Proportion of UK adults holding different types of ISAs



Source: IA & Opinium, ISA Barometer Survey 2025, n=2000

Improved communication and education around the tax incentives that are available through ISAs could help to drive greater take up. Many savers and investors could incur tax on the capital gains that they make through savings and investments held in accounts outside ISAs or indeed pensions. It's not clear from our research that many UK adults understand the tax incentives that ISAs provide or how much they can save and invest tax efficiently each year. We also see a barrier to understanding the benefits of investing to support long-term savings goal. 40% of Cash ISA holders are saving into a Cash ISA to fund their retirement, the second highest percentage across the savings goals that we surveyed. These savers are missing out on substantial returns but are also at risk of inflation eroding the value of their cash savings.

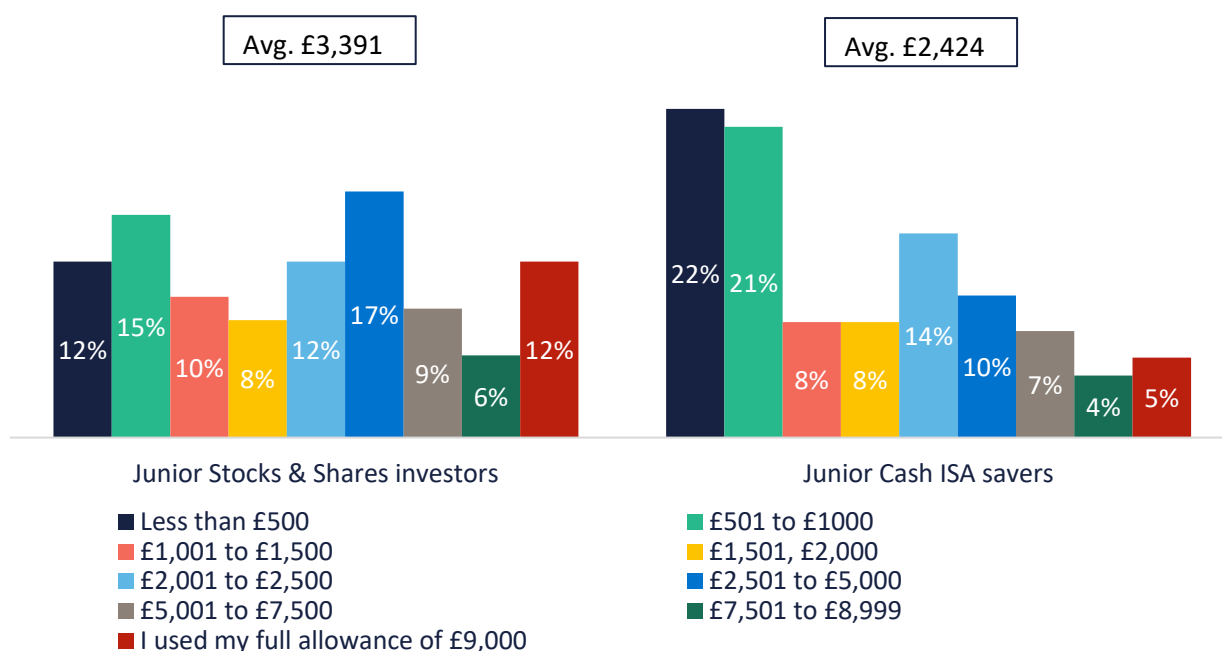
## Junior ISAs: High awareness, but a tilt toward cash persists

HMRC data show that there are 1.25 million Junior ISA accounts in the UK- 61% of these accounts are Cash JISAs and 39% are Stocks & Shares JISAs. While 82% of parents are aware of Stocks & Shares JISAs, most still opt for Cash JISAs— this is driven by a perception that they are easier to understand and a desire for capital stability. Adults holding Cash ISAs are almost twice as likely to open a Junior Cash ISA than a Junior Stocks and Shares ISA (17% vs. 9%) for their children.

Among Cash JISA-only holders, over 60% cite ease of understanding and an aversion to market volatility as key reasons for their preference for Cash JISAs over Stocks & Shares JISAs<sup>1</sup>. However, those investing in Stocks & Shares JISAs contribute more—£3,391 per year on average vs. £2,424 for Cash—and are more than twice as likely to use the full £9,000 annual allowance (12% vs. 5%).

<sup>1</sup> We tested the level of agreement with the following statements 'I use a Junior Cash ISA instead of a Junior Stocks & Shares ISA because I don't want the value of my investments to go up and down' 'I use a Junior Cash ISA instead of a Junior Stocks & Shares ISA because I don't know much about investing, and Cash ISAs are easier to understand'

Chart 5: Average amount saved into JISAs in the 2024/2025 tax year



Source: IA & Opinium, ISA Barometer Survey 2025 n= 1000

UK adults primarily open JISAs to support education costs (selected by 49% of Junior Stocks & Shares ISA holders and 55% of Junior Cash ISAs holders) and future home purchases (selected by 38% of Junior Stocks & Shares ISA holders and 37% of Junior Cash ISAs holders), yet many may be limiting long-term growth potential by defaulting to cash. Nearly 90% of adults believe their child will use the funds for their intended purpose, but with a potential 18-year time horizon, more education is needed to encourage parents to consider investment-based options that may offer better outcomes.

### Methodology

In 2025, the IA again partnered with Opinium to conduct a survey about saving and investing habits in the run up to the 2024/2025 ISA season. This is the third year that we have conducted the survey and each year we have built on the previous year’s research to better understand the motivations and investing habits of UK investors as they think about their ISA allocations at the end of the tax year. In 2025, we have also surveyed two additional profiles of people – UK Cash ISA holders and a nationally representative sample of UK adults. Our aim is to draw comparisons between Cash ISA holders and Stocks and Shares ISA holders to understand the barriers to getting Cash ISA holders to invest.

The survey fieldwork took place between the 28 February 2025 and the 5 March 2025.

We surveyed three groups:

- 1000 UK investors
- 1000 UK Cash ISA or Junior ISA holders
- 2000 UK adults (18+) where the respondents were weighted to be nationally representative of the UK adult population