ROSSITER WEALTH MANAGEMENT

Rossiter Wealth Management Ltd
3 Pound Farm Close
Bridgwater
TA6 7LA
07787 706729
stuartrossiter@visionifp.co.uk
www.rwmuk.co.uk

Time for a spring clean? How about *'death cleaning'* your finances?

Could your finances benefit from a spring clean? You could take your cue from the Swedes. They believe in *'döstädning,'* or *'death cleaning.'* It sounds pessimistic, but it involves decluttering your belongings to reduce the burden you leave behind to loved ones.

The philosophy gained international prominence through a 2018 book called *The Gentle Art of Swedish Death Cleaning*, by Margareta Magnusson, but many of the methods described to organise your home and belongings can be applied to your finances as well.

Why should you death clean your finances?

First, it can help you feel more in control of your money. Second, it can help you refocus your time (and money) on what matters most to you. And third, taking time to organise your finances now could spare your loved ones from a great deal of emotional and financial stress after you die.

Key steps in a financial spring clean

It's a good idea to make a checklist and work your way through. Key steps include:

- **Streamline your finances**
  Close accounts you don't use, cancel unused subscriptions or memberships, and explore ways to cut back on wasteful spending
- **Build a document library**
  Gather all important documents, including Wills, insurance policies, investment portfolios and property deeds. Consider storing documents securely online. Having an easily-accessible document library will help make sure your loved ones can find critical information quickly when needed
- **Keep beneficiary information up to date**
  Review and update beneficiary details on life insurance policies, pensions and expressions of wishes to ensure they reflect your current intentions
- **Revisit your investments**
  Are your investments still aligned with your long-term goals? Has your attitude to risk altered? Maybe your circumstances have changed? This information is important. We'll monitor performance and rebalance when necessary; updating us on goals, risk preference and life changes will inform investment recommendations
- **Maximise tax-efficiency**
  The new tax year brings new opportunities, allowances and reliefs to take advantage of, to reduce your tax liability. This includes revisiting your Inheritance Tax (IHT) strategy, which can help reduce the liability on your estate
- **Consider your retirement plan**
  Are you saving enough into your pension to provide you with the lifestyle you desire in retirement? Are the underlying investments right for you? If you have multiple pension pots, would consolidating them be relevant for your unique requirements?

Making your plans known to others

Discussing your financial arrangements with trusted family members and keeping them updated on changes you've made, is an important part of the process too. Intergenerational financial planning involves managing wealth and financial strategies across multiple generations of a family, focusing on ensuring financial security, preserving assets and facilitating smooth wealth transfer while considering tax implications, estate planning and family values. They're really valuable conversations to have.

Take control

Spring cleaning your finances is about more than just getting organised, it's about simplifying your life, taking control and leaving the best possible legacy for loved ones. Maybe those Swedes really are on to something. We can help you get organised so you can focus on enjoying life.

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated.

INSIDE THIS ISSUE:

Kickstart the new tax year with confidence

The beginning of the new tax year is the perfect opportunity to take control of your finances and set the tone for the months ahead.

By implementing a thoughtful financial plan, you can make the most of your money, achieve your goals and ensure financial peace of mind. Here are just a few key considerations to help you build a solid plan:

Take the first step today – your future self will thank you!

Maximise tax-efficient opportunities
The new tax year brings fresh allowances and reliefs potentially available to reduce your tax liability:

- Use your ISA allowance
  Save or invest up to £20,000 (the current annual limit) in an Individual Savings Account (ISA) to grow funds tax-free
- Pension contributions
  Maximise pension contributions to benefit from tax relief as well as potentially lowering your taxable income
- Capital Gains Tax planning
  Make use of your annual exemption to avoid unnecessary tax liabilities.

Build a solid financial plan for a stronger financial future
Why not take time to reset and refocus on your financial goals? With clear objectives, smart tax planning and disciplined financial habits, you can start the new tax year strong and lay the foundation for long-term financial success.

IN THE NEWS

Child Trust Funds still unclaimed

Some 728,000 people who have recently turned 18 have not claimed their Child Trust Fund, figures[1] show, with the total value of unclaimed money amounting to £1.4bn. Many eligible young people do not know that their account exists, campaigners say. MPs are urging more action from HMRC to inform potential recipients.

Many eligible young people do not know that their account exists

Youth still trust 'finfluencers'

Social media remains the most popular place for those under 30 to find information about money, research[2] shows, with six in 10 young people following one or more financial influencer ('finfluencer') online. Even more strikingly: almost eight in 10 young people say they trust everything finfluencers say. The Financial Conduct Authority (FCA) has launched targeted action against finfluencers who may be touting financial services products illegally, as increasing numbers of young people are falling victim to scams. Steve Smart, Joint Executive Director of Enforcement and Market Oversight at the FCA, commented, *"Finfluencers are trusted by the people who follow them, often young and potentially vulnerable people attracted to the lifestyle they flaunt. Finfluencers need to check the products they promote to ensure they are not breaking the law and putting their followers' livelihoods and life savings at risk."*

Pension priority for young workers

Workers aged 18 to 34 are contributing almost 10% of their wage to a pension each month, a report[3] suggests. On the other hand, many older workers are now regretting that they will have to live a more frugal lifestyle than hoped, the report reveals. Don't have regrets, prioritise your pension now.

[1]The Share Foundation, 2024, [2]MRM, 2025, [3]Royal London, 2024

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Surging demand for protection insurance – are you covered?

The demand for health insurance, income protection and life insurance is expected to rise significantly in 2025, according to a recent survey[4]. The study, which gathered insights from 250 UK financial advisers, highlights a growing awareness amongst clients of the need for comprehensive protection cover.

Income protection is set to see the most substantial growth, with 51% of advisers predicting increased demand, while 31% expect it to remain steady and only 18% foresee a decline. Similarly, life insurance demand is anticipated to rise, with 44% of advisers forecasting growth, 37% expecting no change and 19% predicting a drop. Private health insurance also follows this trend, with 40% of advisers anticipating an increase, 32% expecting stability, and 28% forecasting a decline.

A busy year

These figures, as well as our own experience of what clients are asking about, indicate that this year is shaping up to be a busy one for protection insurance, as more people recognise the importance of safeguarding their financial future. With economic uncertainties and evolving healthcare needs, individuals and families are increasingly looking for ways to secure their income and wellbeing.

If you're considering protection insurance or want to review your existing cover to make sure it meets your current needs, now is the time to explore your options. We're here to help with all your protection needs - get in touch to find the right cover for you and your family.

[4]The Exeter, 2025

Closing the investing gap

A recent report[5] estimates 13 million UK adults are sitting on £430bn of cash savings. The report, titled 'Empowering retail savers to engage with investing' suggests savers are *"missing out"* on earning better returns over the long term.

The research highlights three reasons why savers are reluctant to invest:

- **Too many options:**
  One in five (21%) people with savings don't think they have the knowledge to choose what to invest in, while 24% think investing is too complicated
- **Not confident with comparing investments:**
  Nearly three quarters (74%) need help to determine which type of investment is suitable for them, while two-thirds (63%) want assistance in comparing investment products
- **Too worried about risk:**
  Almost half (43%) of savers think investing is too risky and could mean they *"lose all their money."*

What is the long-term cost of saving instead of investing?

Financial software firm Oxford Risk believes choosing saving over investing carries a high cost, with savers missing out on up to 5% a year in lost returns. The firm is also concerned that a growing number of UK adults are choosing to 'sit on the sidelines' by keeping their money in cash.

What can be done to close the investing gap?

The Financial Conduct Authority (FCA) has made addressing cash holdings a strategic priority and Oxford Risk has urged, *'More needs to be done beyond just raising awareness of the issue to drive the vital change in investor behaviour.'*

Holding a proportion of your wealth in cash is worthwhile for liquidity, emergencies and short-term needs. However, history has shown that over the long term, investing yields higher returns than holding cash, although not guaranteed. The key is balance: keep enough cash for security but invest the rest to build wealth over time. Diversification to spread the risk is important.

[5]Barclays, 2024

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Pensions and IHT: what you need to know now

During the Autumn Budget, plans were announced to include unused pension funds and death benefits within the value of estates for IHT purposes. This came as a surprise, particularly to those who have worked hard to build a pension as a tax-efficient way to pass on wealth.

Following a technical consultation and a review of the feedback, the government is expected to deliver specific implementation guidance later in the year. Changes won't take effect until 6 April 2027, providing ample time to review and adapt plans accordingly.

The changes will have the greatest impact on those with established estate plans. It's wise to consider potential implications but await the final guidance before overhauling plans. When we have more certainty, we may suggest you consider alternative options that ensure your estate remains as tax efficient as possible. Together, we'll help you secure your family's future with confidence.

Navigating uncertainty together

Over the past five years, we've experienced a global pandemic, geopolitical conflicts, political upheaval and economic uncertainty. Constant media coverage over what feel like daily developments, whether that be on the international stage as Donald Trump's second term impacts or on home shores, where the government's changes to policy and taxation naturally result in feelings of uncertainty. This can lead many to make knee-jerk financial decisions without fully understanding the consequences.

Now, more than ever, it's essential to take a step back and take advice before making any financial moves. Headlines create noise, but your financial plan should be tailored to *your* specific circumstances – not dictated by market noise or speculation. Investing is about the long term – not reacting to daily events.

We work hard to build a well-structured, long-term strategy. Take comfort from the fact that a solid plan can flex as different challenges present. You don't need to navigate this alone – stay disciplined and take advice to ensure your financial future remains on track. We're here to support and guide you.

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Four in five clients see financial advice as 'value for money'

People with a financial adviser are more optimistic about their financial future. That's one of the key findings of a recent Investor Confidence Barometer[6]. Four in five people (82%) said they get *'value for money'* from their adviser, a 10% increase on 2023's survey. Investors said they also feel more confident knowing their financial adviser is available in difficult times, with 96% of advised clients valuing accessibility as much as portfolio performance.

Advisers are more optimistic about the long-term performance of equities than investors, with this confidence rubbing off on their clients. Over five years, 89% of advisers expect markets to rise, compared to 63% of advised investors and 57% of those without advice. Over ten years, 91% of advisers are predicting market growth, versus 68% of advised and 57% of non-advised investors. Greater optimism among advised investors suggests financial advice and long-term planning builds confidence in their future wealth prospects.

Ross Easton, Head of Platform Proposition at Scottish Widows, said, *"This survey emphasises the difference that advisers make for their clients, especially when it comes to guiding them through times of market volatility. Our Barometer has consistently found that advised clients are more confident than non-advised investors, setting them up to benefit from market corrections and recoveries when others are more cautious."*

[6] Scottish Widows, 2025

IF YOU WOULD LIKE ADVICE OR INFORMATION ON ANY OF THE AREAS HIGHLIGHTED IN THIS NEWSLETTER, PLEASE GET IN TOUCH

It is important to take professional advice before making any decision relating to your personal finances. Information within this newsletter is based on our current understanding of taxation and can be subject to change in future. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK; please ask for details. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor.

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated. Changes in the rates of exchange may have an adverse effect on the value or price of an investment in sterling terms if it is denominated in a foreign currency. Taxation depends on individual circumstances as well as tax law and HMRC practice which can change.

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All details are correct at time of writing – March 2025.