

Spread your cash Isa across banks ahead of new rules: Hargreaves Lansdown first to offer split allowance

By [Helen Kirrane](#) Daily Mail Updated: 16:17, 30 January 2024

Savers can now split their Isa allowance between different types of cash Isa and different providers ahead of new rules. From today, Hargreaves Lansdown's cash platform **Active Savings*** will allow savers the opportunity to spread their Isa allowance across multiple banks, and across easy-access, limited access and fixed-term cash Isa products.

It has also launched three new easy-access cash Isa offerings from Zopa Bank at 4.61 per cent, Santander International at 4.44 per cent and Oaknorth Bank at 4.63 per cent.

The platform will make it easy for savers to subscribe to multiple Isa products in the new tax year, in line with the [new Isa rules announced in the Autumn Statement](#).

Currently, you can only open up one Isa each year but under new rules from April, you can open up multiple Isas in one tax year. After many rumours, the Chancellor announced in the Autumn Statement that Isas would be simplified, which included allowing new money to go into multiple Isas of the same type within the same tax year. All subscriptions must remain within the overall Isa limit of £20,000 and the Lifetime Isa is excluded.

No other platforms are able to offer cash Isas currently from multiple banks at the moment. [Hargreaves Lansdown's](#)* savings platform rivals include [Raisin UK](#)*, [AJ Bell Cash Savings Hub](#)* and [Flagstone](#). Andrew Hagger, founder of personal finance website Money Comms says: 'Hargreaves Lansdown's launch is probably on the back of the cash Isa changes announced in the Autumn statement last November.'

'Having the flexibility to hold more than one cash Isa each year gives savers the opportunity to split their tax free cash in a way that works for them- perhaps a mix of easy access and fixed rate products.' 'I would expect all platforms to be offering similar by the time we reach the new tax year in April.'

How spreading Isa cash could help savers: If you keep your saving in cash, taking advantage of cash Isas is becoming increasingly important, as rising rates mean more savers start earning more interest than the tax-free allowance.

The personal savings allowance is £1,000 for basic rate taxpayers and just £500 for the growing number of higher rate taxpayers, above which [savings tax](#) is charged on interest at income tax rates.

Under Hargreaves Lansdown's changes to its Isa offering, it will providing a full suite of cash Isa products - fixed term, easy access and limited access - from multiple banks. Savers now have choice when managing their cash Isas alongside their existing savings portfolio, whilst also having the flexibility to choose from multiple deposit types. Mark Hicks, head of Active Savings at Hargreaves Lansdown explains: 'This reduces the complexities for savers, by allowing them to have Isas with different providers all in one place'. 'This flexibility allows savers the freedom to 'bucket' their Isa savings – use easy access for some of your cash in the face of the cost-of-living crisis and also have the ability to lock away the rest with a market leading rate.'

The best easy-access cash Isa rate outside of the platform stands at 5.08 per cent and is offered by Zopa Bank. While the best one-year fixed-rate Isa is from Shawbrook and pays 5.01 per cent.

Platforms also sometimes have sign-up bonuses that can help boost rates to make them better than what is on offer elsewhere and offer Financial Services Compensation Scheme protection. Hargreaves Lansdown says the Active Savings cash Isa platform can significantly reduce the cost of funding to banks and building societies, giving them the opportunity to raise Isa money even if they do not have Isa manager status. Hicks says: 'The platform will create efficiencies for our bank partners by reducing the cost of raising deposits through Isa products.'

'Banks and building societies typically have to hire in a large number of staff over the end of the tax year to deal with the influx of applications and the spike in volume that Isa season creates. 'It is also an attractive proposition to banks that don't have Isa manager status, enabling them to launch Isas at a cheaper cost in a much more efficient way. HL is the Isa manager, taking away the operational and regulatory burden from our bank partners.'