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News in Review

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"Housing market activity likely to soften"



The latest figures from Nationwide show that UK house price growth regained momentum in March 2026, with an annual rise of 2.2%. This represents a significant increase compared to February, when annual growth was 1%.

While it is positive to see the recent uptick in house price growth, Nationwide noted that the short-term outlook is uncertain due to the conflict in the Middle East. Before the outbreak of war, financial markets had predicted two cuts to Bank Rate in the coming year. However, this prediction has been reviewed, with economists now expecting to see three rate increases. This will have a knock-on effect on mortgage rates, with the Bank of England reporting that about 1.3 million UK homeowners could see their mortgage payments rise by the end of 2028 due to the war.

Robert Gardner, Chief Economist at Nationwide, commented, *"With consumer sentiment also likely to be dented by the uncertain outlook and the prospect of rising energy costs, housing market activity is likely to soften."*

Plans to strengthen EU ties

As conflict continues in the Middle East, the UK-US relationship is under strain and Prime Minister Keir Starmer plans to seek closer economic ties with the EU.

President Trump has criticised Starmer for refusing to support the war on Iran and is reported to be considering pulling out of the NATO military alliance because its members have not joined the war.

Over recent months, the Prime Minister and Chancellor Rachel Reeves have been sharing plans to form a closer relationship with the EU, but Starmer has said this is more urgent in light of recent geopolitical developments. A UK-EU summit is expected to take place in June or July, which the PM will use to seek close cooperation on economic and security matters.

The Prime Minister said, *"It is increasingly clear that as the world continues down this volatile path, our long-term national interest requires closer partnership with our allies in Europe and with the European Union."* He added, *"No matter how fierce this storm we are well-placed to weather it and we have a long-term plan to emerge from it a stronger and more secure nation."*

Boost in business confidence

A report from Lloyds Bank shows that business confidence strengthened in early March. Most of the survey responses were collected before the economic impact of the war was fully understood; however, it is positive to see that businesses entered the volatile period in a stronger position. Firms reported improved demand at the start of the month, which helped to boost overall confidence by 11 points to 55%. This increase was driven by smaller businesses and more domestically-focused firms, while larger firms were more cautious in response to global markets.

Savers maxing out cash ISA allowance

Over half of cash ISA savers are making the most of their £20,000 allowance before it reduces to £12,000 in April 2027.

According to Paragon Bank, 52% of active cash ISA savers under the age of 65 plan to max out their higher allowance.

The research suggests that, when the changes come into effect, savers will be reluctant to move away from cash savings - just under half (46%) said they would put their money into alternative cash savings, while fewer (29%) plan to invest in a stocks and shares ISA.

Minimum wage increases

An estimated 2.7 million workers received a pay rise last week, as the national minimum wage increased to £12.71 for over-21s. While employees have welcomed the increase, some businesses have expressed concern over rising bills - the wage change comes in addition to recent increases to business rates, employer National Insurance contributions and Statutory Sick Pay.

The rise of the staycation

A record number of Brits are estimated to have opted for a 'staycation' for their Easter holiday. An estimated 12 million British residents stayed in the UK over the Bank Holiday, generating approximately £4.8bn for the UK economy. Coastal destinations were due to be popular among UK tourists, including the Lake District, Scottish Highlands and Cornwall.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

**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.
All details are correct at time of writing (8 April 2026)**