



INVICTUS
Independent Financial Advice

Invictus IFA
Minster Gardens,
Nottingham,
NG16 2AT

T: 0115 88 00 244
M: 07793 323027
E: info@invictusifa.co.uk
www.invictusifa.co.uk

News in Review

1 July 2026

"Services were the main driver of growth in the latest quarter"



The latest data from the Office for National Statistics (ONS) shows that the UK economy expanded by 0.6% in Q1 2026, unchanged from the initial estimate. Annual growth for 2025 was revised down slightly from 1.4% to 1.3%, following growth of 1.0% in 2024.

Growth in Q1 was driven by expansion in all three sectors, with the services sector making the largest upward contribution of 0.8%. Meanwhile, real household disposable income per head decreased by 0.8% in Q1, after an increase of 1.2% in Q4 2025. A measure of households' purchasing power, this contraction indicates that people were saving and spending less even before the outbreak of war in Iran. This is backed up by the household saving ratio decreasing by 0.7 percentage points to 8.9%, driven by a fall in the contribution of non-pension saving.

Liz McKeown, Director of Economic Statistics at ONS, commented, "Our latest set of figures show no revision to economic growth in the first quarter of this year. However, growth for 2025 was revised down a little." She added, "Services were the main driver of growth in the latest quarter... production and construction also both grew overall."

On Tuesday, Keir Starmer announced £15bn in additional defence funding, with annual spend expected to reach £80bn by 2029.

Burnham sets out vision for decentralised government

On Monday, Andy Burnham outlined his vision for government in his first speech since launching his bid to become Prime Minister. Central to his plans is the redistribution of power across the UK to "drive good growth in every postcode,"

including the creation of a new Downing Street team based in Manchester, to "oversee the biggest rebalancing of power our country has ever seen."

Burnham pledged a "complete rethink" of education and cuts to welfare, in addition to delivering the largest council house building programme since the post-war period.

While the speech set out the overall direction of a future government, it did not include detailed policy proposals. His key message focused on the devolution of decision-making away from Whitehall, which he said had "blocked" progress. He argued that devolving power would "give Britain the circuit-breaker it needs."

Government announces ISA reforms

The Treasury is to introduce a 22% tax levy on cash held in Stocks and Shares ISAs from April 2027 to prevent circumvention of the lower Cash ISA limit. HMRC also announced that under-65s will be unable to transfer from non-Cash ISAs into Cash ISAs and savers will be prevented from holding 100% Money Market Funds in non-Cash ISAs. This is part of the government's bid to encourage more people to invest in the stock market; some experts though believe reforms could reduce flexibility and deter new investors.

LISA replacement plans outlined

The government has launched a consultation on the implementation of a new first-time buyer (FTB) ISA, set to replace the Lifetime ISA (LISA) in April 2028. LISAs currently have an upper age limit of 40 which has been scrapped for the FTB ISA and instead will be available to any new homeowner over 18. Savers can still open

LISAs until 2028 and make contributions after the new product launches.

LISA holders face a 25% penalty on any ineligible withdrawals, but the government's consultation currently indicates that this penalty will be removed for the FTB ISA. Under the new product, a 25% bonus will be paid as a lump sum at the time of purchase, rather than as a monthly payment, so savers won't be able to accrue interest on it.

Taskforce launched to reunite young people with their CTFs

With estimates suggesting that more than 750,000 young people have unclaimed money in their Child Trust Fund (CTF), the government is launching a new taskforce to help reunite them with their savings.

Around 6.3 million CTFs were opened for children born between 1 September 2002 and 2 January 2011. Today, more than £1.6bn remains in unclaimed matured accounts, with an average value of around £2,200.

The taskforce will aim to coordinate efforts to trace eligible young people and encourage them to claim their matured accounts.

Rachel Blake, Economic Secretary to the Treasury said, "Too many young people are missing out simply because they are not aware of where their Child Trust Fund is or how to access it." She spoke about efforts to improve coordination to make "it easier for people to find and claim what's rightfully theirs."

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 (1 July 2026)**