

## ISAs to stay - at implicit cost to the poor

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The Pre-Budget Report had little to explicitly say on tax. No doubt the press releases to be issued soon will add much more.

But it's disappointing to note that Gordon Brown has confirmed that tax free savings schemes which will always benefit rich people and provide them with a subsidy that could be vastly better used in supporting access to genuine financial services for poor people will continue into the future.

The ISA scheme to which he referred costs £1.9 billion a year. Think about it. The unregulated loss of savings by [Farepak](#) customers in the UK, all of them poor people, cost £25 million. If they had access to bank accounts, regulated savings schemes and proper financial advice how much would it cost?

A lot less than £1.9 billion I bet.

This is a serious error of judgement by a Labour Chancellor.