

Barclays pushes the boundaries of acceptability

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Have a look at the [web page issued by Barclays Wealth](#) relating to their new Deferred Deposit Account. It says:

Take your interest when you're good and ready

If you've got plans to change where, or how, you'll live in the future, there's a good chance your tax status will change too. So why not plan for this?

Our new Deferred Interest Deposit Account lets you defer taking the interest on your savings until a time that suits your tax planning. It's up to you to choose when the best time will be*.

Is it right for me?

The Deferred Interest Deposit Account is ideal if you're thinking about moving, working or travelling extensively abroad, changing income level for any reason or retiring.

How does it work?

When you open your account, you can set a specific date to receive your interest. Or, if you don't know when that will be, you can select **until further notice**. This means you can defer for as long as you like with interest being earned on your savings all the while - it's your choice.

That's the spiel. The reality is different. First this is a blatant product designed to reduce the impact of the 50% tax rate — roll up the interest until you hope the Tories abolish it is the message. Second, it's also a case of roll up till you leave the UK as a second message.

This is outright abusive planning deliberately engineered by a bank. The answer is simple: such accounts must be assessed on an arising basis, not a payment basis as is used for interest now. The law has to be changed in the Pre-Budget Report.

So much for ethics Barclays. And so much for any hope that the voluntary Bank Code of Conduct might work.

And on that my message is simple: they were given the chance to cooperate — now legislate it — with personal penalties (very big personal penalties) for all directors and employees found to be in breach of that statutory Code. As [Stephen Herring of BDO said](#), ***some tax planners clearly need some time at Her majesty's pleasure if they can't learn what is acceptable.***

This account is unacceptable.