

George's tax fiddling does not work

Published: January 14, 2026, 6:33 pm

The [Daily Mail has a headline this morning](#) that says:

Savings tax shambles: New rules will soon let you earn £1,000 interest tax-free - yet nobody can explain details of how the reforms will work

The essence of the article is that the Mail notes the new savings tax allowance, which is little more than a desperately complicated extension of the ISA arrangements, and then notes that if anyone does owe tax as a result of receiving their savings income tax free when they actually have a liability to pay the resulting arrangements could be expensive, complex in the form of a tax return and lead to an exposure to tax penalties that are largely the result of an unnecessary tinkering with the system.

As a matter of fact the Mail does overstate its case: many of those with such additional liabilities will in any event be higher rate tax payers who would have had additional liabilities under the old system but the point they make is till a valid one, and increasingly typical of George Osborne. A tinkering designed to grab a headline for a day (which it did, from the Mail for a start) results in real cost and confusion that will outweigh the benefit for many, especially when many people have unused ISA allowances.

There are occasions when I will agree tax simplicity is of definite use. This is one of them. I hope George takes note before 16 March.