



PRESS RELEASE

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Sales of new stocks and shares ISA policies increase to pre-pandemic levels as the number of policies opened in April 2021 jumps 39% year-on-year

- *Scottish Friendly's Investment Index reveals the number of new stocks and shares ISA policies opened by customers in April increased by +39% year-on-year*
- *The total value of all new stocks and shares ISA investments made in April also increased by +35% on April last year*

Sales of stocks and shares ISAs have returned to pre-pandemic levels at the start of the new 2021 tax year with the number of new policies taken out by investors in April up +39% on last year.

New data from Scottish Friendly's Investment Index also shows that the value of new stocks and shares investments made in April 2021 increased +35% versus the same period in 2020.

The uncertainty caused by the outbreak of Covid-19 in early 2020 led investors to pull back from the market in the first three months of the year with stocks and shares policy sales down -20% on Q1 2019.

However, in the three months to March of 2021 policy sales of stocks and shares ISAs jumped by a massive +41%. The value of these new investments in Q1 2021 was also up 46% on the same period last year (see figure 1).

Meanwhile, quarter-on-quarter, the Index again shows increases in both sales numbers and investment value, which suggests investor confidence is growing.

The number of new policies opened by investors in Q1 2021 rose +6% on the previous quarter and the value invested in these new policies during the three months to March increased by +15% on Q4 2020.

The rise in investor activity in the three months to March has been largely driven by women. New policy value among female customers jumped +26% quarter-on-quarter compared to just +10% among men (see figure 2).

Equally, the number of policies sold to women increased by +10% between Q4 2020 and Q1 2021 while sales among men rose by just +1%.

Moreover, the Q1 index reading of 110 is the highest quarterly sales figure among female customers since Scottish Friendly's data recording began.



Kevin Brown, savings specialist at Scottish Friendly said: “The sharp increase in the number of policies opened by investors in April 2021 compared with last year shows how much has changed in the last 12 months.

“In April 2020, households were still adjusting to the impact the pandemic was having on their lives and investor confidence fell massively. We saw a huge drop off in sales and in the amount of money being put into new stocks and share ISA policies, and it took time for things to recover.

“However, fast-forward to the start of the 2021 tax year and the situation is a lot different. Many households have adapted to a new normal and are still able to take advantage of reduced spending opportunities to save and invest more than they would have done before the pandemic.

“This is highlighted by the fact that the number of policies sold in Q1 2021 is the highest since we began recording the Index data more than two years ago.

“During the coming quarters, once the usual seasonal demand we see in the run-up to the end of the tax year and the start of the next has died down, we would expect to see some decline in the amount households save and invest.

“Overseas holidays may still be on hold for the time being but discretionary spending is still likely to rise sharply over the summer as the economy opens and people are able to spend more freely.”

-ENDS-

Figure 1: Overall UK stocks and shares ISA market

Quarter	Number of New Policy Sales	New Policy Value
Q1-2019	100	100
Q2-2019	96	94
Q3-2019	103	102
Q4-2019	102	101
Q1-2020	80	72
Q2-2020	112	119
Q3-2020	111	91
Q4-2020	107	91
Q1-2021	113	105
Change from previous quarter	+5%	+15%
Change since January 2019	+13%	+5%

Figure 2: UK stocks and shares ISA market by gender

Quarter	Number of New Policy Sales			New Policy Value		
	Females	Males	Female vs Male	Females	Males	Female vs Male
Q1-2019	100	100		100	100	
Q2-2019	91	101	90	98	90	109
Q3-2019	103	103	101	110	98	112
Q4-2019	105	99	107	114	93	123
Q1-2020	77	82	93	73	70	105
Q2-2020	104	120	87	119	118	100
Q3-2020	112	109	103	103	85	121
Q4-2020	101	114	88	90	89	101
Q1-2021	110	115	96	114	98	117
Change from previous quarter	+10%	+1%		+26%	+10%	
Change since January 2019	+10%	+15%		+14%	-2%	



Methodology (defined by Union Data):

The Scottish Friendly New Investor Index measures the quarterly status of the UK savings and investment market using adult stocks and shares ISA sales data from Scottish Friendly.

The Index was initiated in Q1 2019 and this quarter was scored as 100, providing a benchmark for future editions of the New Investor Index. A score greater than 100 indicates performance higher than in Q1 2019 while a score lower than 100 will indicate contraction in the savings and investment market vs that quarter. Similarly, a lower index than a previous quarter indicates market contraction while a larger index score indicates an increase in the savings and investment market.

This index is designed to be as reflective of the whole of the UK savings and investment market as possible. To ensure that any observed changes in the Index are not directly associated to Scottish Friendly's specific market performance or marketing strategies our data analytics partner, Union Data, have converted the raw sales data to indices using models to:

- Protect commercial sensitivities within the data
- Remove seasonality inherent within the data, for example, ISA sales tend to peak at the beginning and end of the tax year (April 5th)
- Remove factors specific to Scottish Friendly's performance within the wider savings and investment market including the size of the customer base and marketing budget

More technical details available on request.

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Editors notes:

Remember that the value of investments can go down as well as up and you could get back less than you paid in.

Tax treatment depends on individual circumstances which can change in the future.

About Scottish Friendly

Scottish Friendly is a leading UK mutual life and investments organisation. It provides investors and their families with a wide range of investment and protection solutions and provides life and investment products and services to other financial organisations.

Scottish Friendly has roots stretching back to 1862. Established as the City of Glasgow Friendly Society, its name changed in October 1992 when it took over Scottish Friendly Assurance.

In recent years Scottish Friendly has significantly restructured its business. The Group has flourished through a three-part growth strategy of organic growth, mergers and acquisitions, and business process outsourcing.



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