

Consolidating ISAs on a Platform

How Eleanor consolidated her ISA investments on a wrap platform to achieve full IHT relief after two years.

The Client

Eleanor is an experienced investor and holds a variety of ISAs from different providers, these are a combination of investments she opened and others she has inherited from her husband when he died. Whilst these investments are held in a tax-efficient ISA wrapper, they are all subject to inheritance tax (IHT) and she is concerned by the large IHT bill her children will face when she passes.

Additionally, Eleanor is frustrated by the different fee structures and the inconsistency of reporting on her investments. She already holds some investments on wrap platform and is looking to move the others on platform to organise her portfolios.

Our Solution

Eleanor spoke to her financial adviser and she suggested that as Eleanor already held investments on the Transact platform, she has the option to move her other investments on to this platform.

Because of her large IHT liability, Eleanor's adviser also suggested investing in the Stellar AiM ISA Inheritance Tax Service because this should provide full IHT relief after just two years.

Eleanor was able to make a transfer to the Stellar AiM ISA Inheritance Tax Service, which should qualify for 100% relief from IHT after only two years. This solution gives her access to, and control of, her capital whilst retaining all her ISA benefits.

Key Features



IHT Relief

Investments should qualify for 100% relief from IHT after two years.



Control

Clients retain ownership of their capital so they keep control.



Streamlined

Investments are held in one place with combined reporting.

Additionally, Eleanor will benefit from streamlined reporting and her beneficiaries will inherit one consolidated portfolio.

As the table below shows, even if the value of Eleanor's ISA does not increase, her beneficiaries should still be able to save £160,000 after all fees are paid, by not having to pay the 40% IHT liability.

Results After Three Years

	Estate without IHT planning	Stellar AiM ISA IHT Service no growth (net)
Gross investment value	£400,000	£400,000
0% initial fee	-	-
Net investment in Stellar AiM ISA IHT Service	-	£400,000
Inheritance tax at 40%	(£160,000)	-
Value of inheritance left to beneficiaries	£240,000	£400,000

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