# Record £11.7 Billion Deposited into Cash ISAs by UK Savers in April 2023



In April 2023, UK savers deposited a record £11.7 billion into cash ISAs, the highest monthly amount since the tax-free savings accounts were introduced in 1999. This surge outstrips the combined deposits of £9 billion seen in the first three months of the 2023-24 tax year.

High interest rates on regular savings accounts have led many savers to breach their Personal Savings Allowance (PSA), pushing them towards cash ISAs to avoid potential taxes. Basic rate taxpayers have a PSA of £1,000, while higher rate and additional rate taxpayers have allowances of £500 and none, respectively.

Finance experts attribute the influx to the high interest rates on cash ISAs and the trend of frozen tax thresholds. Top cash ISA rates have made them an attractive option, particularly for savers with larger amounts. For example, savers currently enjoy easy-access cash ISA rates up to 5.2%, with one-year and two-year fixed rates at 4.78% and 4.63%, respectively.

The steep rise in cash ISA deposits in April coincided with a marked decrease in consumer spending, which some experts believe may be linked to the increased focus on saving rather than spending.