

Think Investments

Spring 2026



Together with
 **Santander**
Asset Management

Welcome

Think Investments helps you keep in touch with and find your way around the world of investments.

Investing is long-term in nature and markets will always go up and down. While no investment is guaranteed and past performance is never a guide to the future, investments tend to rise over the longer term.

It can be difficult, however, to shut out short-term noise during a downturn, when rules change around ISAs or pensions, or even when there's just the possibility of change ahead. We saw this ahead of the last two UK Budget statements when people were acting on speculation rather than facts. Those actions could have a negative impact on achieving their financial goals.

In this issue we consider how important it is to turn down the noise that can surround money and investing, helping you keep your financial plans on track.

The Chancellor's annual Spring Statement may not attract the same attention or speculation as her Autumn Budget but it's still an important touchpoint in the UK's financial calendar.

Rachel Reeves reviews her plans in light of data from the Office for Budget Responsibility (OBR) reflecting how the country's finances are faring and what actions might be needed.

We look at how you can do your own Spring Statement, reviewing your financial plan. You may find a few simple actions can help you reach your goals more quickly.

As always, we hope you find Think Investments an interesting and helpful read.



Brian Strachan

Head of Commercial Marketing
Santander Asset Management UK



Turn down the noise around your money

Don't let rumours get in the way of your long-term plans

Acting only on facts, and making sure you have all the information, can stop you making decisions you may regret.

Speculation can be damaging

Before the 2024 Autumn Budget, rumours circulated that the amount you could withdraw from your pension tax-free may be reduced. Data from the Financial Conduct Authority, the UK's financial regulator, shows the total amount withdrawn from pensions increased by 36% from £52.2bn in 2023/24 to £70.9bn in 2024/25.¹

Yet despite this intense speculation, nothing changed in practice. We then saw a very similar round of speculation and withdrawals in the run up to the 2025 Autumn Budget when, again, the rules didn't change.

You can usually take up to 25% of your pension without paying income tax, if your tax-free allowances haven't been reached. This is called a tax-free, or pension commencement, lump sum.

It can normally be taken from age 55, rising to age 57 on 6 April 2028.

The news cycle comes and goes, but actions like withdrawing money from your pension typically can't be reversed. The amount of your tax allowances used up also can't be reversed, even if you cancel.

¹<https://www.fca.org.uk/data/retirement-income-market-data-2024-25>



Staying the course

When the noise around finances gets louder, it can feel like you ought to react. But negative headlines are about filling airtime – not helping you achieve your goals.

Moving money to cash may seem safer when markets are volatile. But when you feel tested by negative financial news, it's worth remembering the long-term benefits of investing.

Staying invested: things to think about

- Benefit from compounding, or growth on top of growth. This is a kind of 'snowball effect'. The aim is for your original investment to grow. If it does, that extra money is added to the pot and can also grow.
- A longer time period gives your money more of a chance to grow as the ups and downs on the markets smooth out over time.

Customer example

Louise is in her 50s and has been investing for about 15 years. While she likes to keep track of current affairs, sometimes she worries about what the news will mean for her retirement.

Louise spoke to her financial adviser, who showed her she was on track financially. They also reassured her that ups and downs are a normal part of investing. When the time comes, she's looking forward to spending more time visiting family abroad and some hiking holidays closer to home.

Some changes to be aware of now

Recent tax changes mean paying into a pension or an Individual Savings Account (ISA) remain tax-efficient ways to save for your future.

In October 2024 capital gains tax rates rose from 10% to 18% for basic rate taxpayers, and from 20% to 24% for higher rate and additional rate taxpayers.

The rate of dividend tax also rises on 6 April 2026, from 8.75% to 10.75% for basic rate taxpayers and from 33.75% to 35.75% for higher rate taxpayers. Additional rate taxpayers remain unchanged at 39.35%

It's worth using all the options open to you to invest your money tax efficiently. We've set out some of these in the next article.

If you save into a pension before you're age 75, you'll usually benefit from tax relief. You can claim up to the standard annual allowance of £60,000 in the 2025/26 tax year. However, if you've triggered the Money Purchase Annual Allowance, that drops to £10,000. You can also pay up to £20,000 each tax year into ISAs. This is set to change in April 2027, when the annual Cash ISA allowance for under 65s will be cut to £12,000..

All change vs no change

There will likely be more change to come. But you can equip yourself so whatever is happening, your plans remain on track. Remember, if your plans or circumstances haven't changed, there's no need to change what you're doing either.

If you're wondering what the latest financial news means for your goals, you might find it helpful to speak with a financial adviser.

Your own Spring Statement

Reset your finances to help reach your goals sooner

Made plans and set money aside for your future? Regular reviews can make sure your money's working as hard as possible for you.

Take time to review and renew your financial plans

SPRING is a time of review and renewal, so why not do your own **SPRING** Statement and reset your finances? You'll have time to act before the end of this tax year (5 April) and get plans in place for the start of the next one.

Investing made simple with multi-asset funds

There's lots of help available to find the right investment option for you. Most providers have a range of multi-asset funds. These offer a diverse collection of investments all expertly managed in one fund with options ranging from lower to higher levels of risk.

Small changes really can make a big difference when saving or investing for your future. Tax efficiency and compound interest make your money work harder over time, helping reach your goals.



Your SPRING checklist

Taking full advantage of tax efficient savings is a great start:

	FACTS	ACTIONS
Savings allowance	UK adults who pay the basic rate of income tax can currently receive £1,000 of interest on savings tax free each tax year. Higher rate taxpayers can receive £500 of interest tax free.	Review cash savings to make sure you're not paying tax unnecessarily. A cash ISA may be more tax efficient if you have a large amount in cash savings accounts.
Pensions for tax efficiency	Pensions are a very tax-efficient way to invest money for your long-term goals. Tax relief from the government is currently 20% for basic rate taxpayers. Higher/additional rate taxpayers can claim more through their self-assessment tax return. Investment growth in your pension is usually free of tax.	Most UK adults will be in a workplace pension. If you are, do you know how much you're paying in each month? Take a little time to review your contributions and when you last increased them. If you're not already in a pension scheme – if you're self-employed or work part-time for example – you may want to set up your own personal pension.
Regular investing	Investment values go up and down. Regular investing means you might benefit from lower prices without trying to 'time' the market.	A monthly Direct Debit to your pension or ISA means you don't have to think about setting money aside. The longer it's invested the more time it has to benefit from potential investment growth.
ISA (Individual Savings Account) allowance	You can currently pay £20,000 in total each tax year into one or more ISAs. You can also pay £9,000 each tax year into a Junior ISA for children under 18. These limits are subject to change in the future.	If you don't have an ISA, now is a good time to get started. You don't pay tax on any interest received in a cash ISA. With a stocks and shares ISA you don't pay any tax on income or capital gains. That means more money to benefit from possible growth and compound interest.
Needs by cash, then investing	Cash and investments both play an important role: cash for emergencies and short-term goals (less than five years), investments for the longer-term (five years or more).	Three to six months outgoings is a good target for a cash fund. If you have more than that, you could think about moving cash into investments. Inflation erodes what you can buy with cash over time. Investing offers the best potential to match, or possibly exceed, inflation over the long term.
Gradual increases	Even small increases to your pension or ISA contributions can make a difference over time.	Consider using part of a pay rise or bonus to increase ISA or pension contributions.



Spotting scams could be your best investment

Most people think scams won't happen to them. Sadly, they do. Scams happen every day.

Fraudsters look for people who are worried about money. This is more common during a cost-of-living crisis.

UK Finance says people lost £144.4 million to investment scams in 2024. This was the first rise since 2021. These numbers show how common scams are. Banks stopped £1.45 billion of unauthorised fraud that year¹. Even so, knowing how to spot a scam is still the best protection.

How investment scams work

Scams change all the time. Fraudsters find new ways to trick people. They now use tools like artificial intelligence (AI).

Investment scams can look real. Criminals often create smart websites and leaflets. They may pretend to be real firms or trusted advisers.

Scammers use social media and online forums to promote fake investments. This can include cryptocurrency offers. Cold calls about investments are illegal. Instead, scammers may ask you to enter your details online. They then contact you later. This can feel safe, but it's not. They can use your details to steal money or open fake accounts.

Stay one step ahead

Protecting yourself doesn't take long. The more you know about scams, the easier they are to spot. This helps keep your money safe. It can also help protect friends and family.

For more help, visit: santander.co.uk/personal/support/fraud-and-security/spotting-fraud-or-scams

If you think you've been scammed, contact your bank at once. You should also report it at reportfraud.police.uk. If you bank with Santander, you can call us any time on **0330 9 123 123**.

Santander also supports Stop Scams UK. You can call **159** to check if a call from your bank is real. It's safe and secure.

¹UK Finance Annual Report 2025.

Simple tips to help you avoid scams

- **Do your research.** Check the Financial Conduct Authority (FCA) Register. Use the Firm Checker tool to see if the company and investment are regulated.
- **Not everything you see is real.** Scammers use fake photos and videos of celebrities to promote products. These are called deepfakes.
- **Stay in control.** Be cautious with unexpected investment offers. These may come through social media or phone calls. Take time to check the company. You may also want independent financial advice. Always check that the adviser and firm are genuine.
- **Take extra care with cryptocurrency.** Never let anyone set up a crypto wallet for you. Do not share ID documents. Never allow someone else to manage an investment for you.
- **Protect your devices.** Never download software or apps that give someone remote access to your phone, tablet, or computer. Remote access can let them see and control everything on your device.

Take Five to keep your money and personal data safe

- Santander supports Take Five, a national campaign that offers straightforward and impartial advice to help everyone protect themselves from financial fraud.
- Take Five encourages you to:
 - Stop – Take a moment to stop and think before parting with your money or information. It could keep you safe.
 - Challenge – Could it be fake? It's ok to reject, refuse or ignore any requests. Only criminals will try to rush or panic you.
 - Protect – Contact your bank immediately if you think you've been scammed and tell the Police at reportfraud.police.uk or on **0330 123 2040**.

You can find out more at takefive-stopfraud.org.uk



Santander Market Review

19 November 2025 - 16 February 2026

Over the past three months, stock markets in different parts of the world moved unevenly. Some regions saw gains overall, while others were more mixed as investors reacted to economic data and global events. In the United States, shares were volatile at times, including a notable sell-off on 20 January when tariff concerns triggered sharp drops in major indices. This event marked one of the weakest trading days for US markets since late 2025 and led to increased nervousness across global markets.

In Europe and the UK, share markets attracted more interest from investors, with flows into European shares rising to high levels as some funds looked beyond the US for opportunities. This helped some European and UK indices make steady progress through late January and February.

UK economic data released during the period showed clear signs of slowing price pressures. Official figures showed UK consumer price inflation fell to 3.0% in January 2026¹, its lowest annual rate since early 2025, driven by lower transport and food prices.

Retail spending in the UK also surprised positively. UK retail sales rose sharply in January, by around 1.8%², the largest monthly increase seen in nearly two years, supported by strong online demand and post-holiday discounts. However, sales were weaker in November, making the overall three-month trend more modest.

Public finances caught attention as well. The UK recorded a large budget surplus in January, the biggest on record for that month, helped by strong tax receipts. Interest rate policy remained steady in early 2026. In February, the Bank of England kept its main interest rate at 3.75%, reflecting the balance between slowing inflation and uneven economic signals.

Commodity markets added to market swings. Oil and other commodities experienced price moves as geopolitical tensions and wider uncertainty influenced trading at times.

In summary, markets were driven closely by economic news and global developments rather than by a uniform trend in prices, highlighting the varied performance of different regions over these weeks.

¹Office of National Statistics, 18 February 2026.

²Reuters, 20 February 2026.

Article provided by Santander Asset Management UK for Santander Investment customers.



Santander Market Outlook

Our view is that the global economy is continuing to grow at a steady, moderate pace, despite renewed tensions in the Middle East. Growth has slowed from the strong rebound seen in recent years, but it remains resilient. Inflation has eased from its peak, although progress back towards central bank targets is gradual. Higher labour costs, ongoing trade tensions and geopolitical uncertainty mean price pressures may take longer to fully settle.

Even so, households remain broadly supported by stable employment, and many businesses continue to report solid earnings. Central banks are expected to remain cautious, balancing the need to support growth with the risk that inflation could prove sticky.

Europe and the UK face a more mixed backdrop, with slower growth and political uncertainty weighing on sentiment. However, valuations in some areas are more modest compared with the US.

In bond markets, yields remain relatively attractive compared to recent history. Corporate bonds continue to be supported by steady company balance sheets, while government bonds reflect expectations that interest rates will remain higher for longer than previously anticipated.

In commodities, gold continues to attract interest as a store of value during uncertain times. Industrial metals are supported by ongoing demand, while oil prices remain sensitive to geopolitical developments.

What are the risks?

The key risks include the acceleration of geopolitical tensions, further trade disruptions, and the possibility that inflation remains above target for longer than expected. High levels of government debt also remain a longer-term concern.

What does this mean for markets?

Global share markets have shown resilience. Company profits have generally held up, and market performance has broadened beyond a small number of very large companies. The US continues to benefit from strong corporate earnings and investment in areas such as technology and artificial intelligence. Japan also remains supported by improving corporate governance and investor interest. Recent events show that geopolitical news can move markets in the short term, so keeping a long-term perspective remains important.

Article provided by Santander Asset Management UK for Santander Investment customers.



This publication is distributed by Santander ISA Managers Limited.

Santander ISA Managers Limited provides the Investment Hub platform. Santander UK plc is the provider of the Santander Personal Pension, which is available on the Investment Hub.

Santander ISA Managers Limited. Registered in Scotland No.SC151605 at 287 St Vincent Street, Glasgow G2 5NB, United Kingdom. Telephone 0800 328 1328. Authorised and regulated by the Financial Conduct Authority. Financial Services Register number 171448.

Santander UK plc. Registered Office: 2 Triton Square, Regent's Place, London, NW1 3AN, United Kingdom. Registered Number 2294747. Registered in England and Wales. www.santander.co.uk. Telephone 0330 9 123 123. Calls may be recorded or monitored. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 106054. You can check this on the Financial Services Register by visiting the FCA's website www.fca.org.uk/register. Santander and the flame logo are registered trademarks.

The content of this publication has been produced by one or more entities within the Santander group. It is provided for information purposes only and is not intended to provide advice on the suitability of an investment. Opinions expressed within it are applicable as at 16 February 2026, which are subject to change. This publication does not constitute investment or any other advice. Please contact a financial adviser if you require investment advice. Whilst every effort is made to ensure that the information is up to date and accurate, no entity within the Santander group of companies warrants as to, or accepts any responsibility or liability for, the accuracy or completeness of the content or for any loss which may arise from reliance on information contained in this publication.

LIFE1075 MAR26

