

ISA safety more important to women than men, yet they know far less about the protective safety net

When investing in an ISA women are more likely than men to prioritise the protection provided by the Financial Services Compensation Scheme (FSCS), the compensation scheme for regulated financial services in the UK. Yet women are significantly less likely to be aware about the levels of protection available to them, new research by the FSCS has found.

26% of women say the single most important factor in deciding which ISA provider to use is whether they will get their money back if the institution fails, compared with 30% who want the best price. By contrast, men are almost twice as interested in securing the best deal rather than the existence of a compensation safety net (37% vs. 19%). The existence of a safety net is particularly important to people in Scotland (32%), the North West (30%) and Yorkshire & Humber (31%). People in these regions rate protection as their top priority.

Across both sexes, securing the best deal is the most important factor (33%), while people also prioritise the availability of compensation (22%) and whether the product is offered by a well-known and reputable brand (15%).

Despite the importance of ISA protection for women, they appear to know less about the issue than their male counterparts. Only 43% of women questioned are aware that ISA savers would be in line for compensation if their institution went bust, with 47% admitting they don't know. 62% of men are aware that ISAs are protected, with 31% saying they don't know.

On specific products, 10% of women compared with 19% of men are aware the limit for cash ISAs is £85,000. For stocks and shares ISAs, again more men than women (12% against 8%) are aware the limit is £50,000. Most people (67%) admit they do not know what the latter product's limit is.

Mark Neale, Chief Executive of the FSCS, said: "ISA savers are keen to protect what they have and want to keep their money safe. Women put more of a premium on safety than men, but they are significantly less likely to know about the compensation which is available if their institution was to fail. The FSCS protects your cash and investment ISAs but it is important people understand the limits which apply. In the case of investment ISAs the FSCS can protect against mis-selling or the loss of client money, but not against ordinary investment risk.

The FSCS protects people when authorised financial services firms go bust. Since being established in December 2001 the FSCS has paid out £26 billion in compensation and helped more than 4.5 million people.

-ENDS-

Notes to Editors:

1. About the FSCS

The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation scheme for customers of authorised financial services firms. This means that the FSCS can pay compensation if a firm is unable, or likely to be unable, to pay claims against it. The FSCS is an independent body, set up under the Financial Services and Markets Act 2000 (FSMA), and funded by a levy on authorised financial services firms. The FSCS does not charge individual consumers for using its service. For more information visit www.fscs.org.uk

2. About the research

The research was carried out by GfK NOP, who interviewed 1,006 individuals aged 16+ and residing in the UK between 14 and 16 February 2012. The interviews were conducted online via GfK NOP's online panel of over 200,000 internet users. GfK NOP Limited is a Company Partner of the Market Research Society (MRS). All work was carried out in accordance with the MRS Code of Conduct and the ISO 20252 international standard for market, opinion and social research.