AUTUMN BUDGET 2026 · BRIEFING FOR ADVICE FIRMS

The Budget in brief, and how *Frank* keeps your file reviews current

Chancellor John Healey's first Budget leaves tax on earnings alone but leans on savers, landlords and estates. Here is what changed for your clients, what takes effect straight away, the FCA advice rules coming next, and our plan for updating Frank.

24 / 44 / 49%
New income tax rates on savings and property income from 6 April 2027, up 4 points on today

£20,000
Cash ISA limit kept. The planned cut to £12,000 for under-65s has been reversed

6 Apr 2027
Unused pension funds and death benefits come into the estate for inheritance tax, as planned

The headlines

- **No change to tax on earnings.** Personal allowance and bands stay at £12,570 / £50,270 / £125,140 for 2027-28. Dividend rates are unchanged.
- **Savings and property income** get their own, higher rates from April 2027: a further 2-point rise on top of Budget 2025's, so 24%, 44% and 49%.
- **Pensions and IHT:** the April 2027 change goes ahead. The two-year rule for paying death benefits is removed from today.
- **Lifetime ISA** closes to new savers when a First Time Buyer ISA launches in April 2029. The penalty for buying above the price cap falls to 20% from 29 October 2026.
- **Business owners:** the Business Asset Disposal Relief lifetime limit halves to £500,000 from 6 April 2027.
- **State Pension:** a new Pension Tax Allowance from April 2027. The triple lock moves to earnings-linking from the next Parliament.

Unchanged for 2027-28

ALLOWANCE	2027-28
Personal allowance	**£12,570**
ISA / Junior ISA	**£20,000 / £9,000**
Pension annual allowance	**£60,000**
MPAA	**£10,000**
Lump sum allowance	**£268,275**
IHT nil-rate / residence band	**£325,000 / £175,000**
CGT annual exempt amount	**£3,000**
CGT rates	**18% / 24%**
Dividend allowance	**£500**
Personal savings allowance	**£1,000 / £500**

Source: HM Treasury, Budget 2026 Overview of Tax Legislation and Rates, Annex A.

WHAT CHANGED

The Budget measures that affect advice

The changes most likely to come up in suitability reports and client reviews, with the date they take effect. NOW means in force this week. APR 2027 means the new tax year. LATER means further out, or still to be designed.

MEASURE	EFFECTIVE	WHAT IT MEANS FOR ADVICE
Pensions and inheritance tax		
Unused pension funds and most death benefits come into the estate for IHT. Personal representatives can direct schemes to pay the tax.	APR 2027 6 Apr 2027	Drawdown order, consolidation and "leave the pension untouched" rationales need revisiting for estates near or above the nil-rate bands.
Two-year rule removed for paying pension death benefits.	NOW 28 Oct 2026	Removes a timing risk for beneficiaries. Check any letters or reports that quote the two-year deadline.
Serious ill-health lump sum available regardless of age 75 where life expectancy is under a year.	LATER Royal Assent	A new option to consider for clients over 75 in serious ill health.
Defined benefit scheme surpluses can be paid to members, taxed as pension income.	APR 2027 6 Apr 2027	May affect DB members' income and transfer conversations.
Pension Tax Allowance: no small tax bills for pensioners whose income is at or just above the full new State Pension.	APR 2027 2027-28 to 2029-30	Relevant to retirement income planning for clients with little income beyond the State Pension.
Savings, ISAs and investments		
Savings income taxed at 24% / 44% / 49%. Personal savings allowance and starting rate for savings kept.	APR 2027 6 Apr 2027	Strengthens the case for using ISA and pension wrappers before holding cash or bonds outside them.
Cash ISA limit stays at £20,000. The planned cut has been reversed.	APR 2027 From Apr 2027	Any advice or client communications that planned around a £12,000 cash ISA limit need updating.
Lifetime ISA: penalty for buying a home above the price cap falls from 25% to 20%. A First Time Buyer ISA (25% bonus on up to £20,000, homes up to £450,000) replaces it for new savers.	NOW 29 Oct 2026 LATER Apr 2029	Existing LISA holders keep the current rules. Review LISA recommendations for clients who may buy above the cap.
A new incentive for first-time stocks and shares ISA investors is being explored with industry.	LATER No date yet	Watch item. No action yet.
Property, business owners and the State Pension		
Property income taxed at 24% / 44% / 49%.	APR 2027 6 Apr 2027	Affects net yields for landlord clients and the comparison with other income-producing assets.
Business Asset Disposal Relief lifetime limit cut from £1m to £500,000. A new Founders' Relief is being consulted on until 30 November 2026.	APR 2027 6 Apr 2027	Business owners planning a sale may want to bring forward timing. Transitional rules apply.
High Value Council Tax Surcharge on homes worth £2m or more.	LATER Apr 2028	A cost to consider for high-net-worth clients' property planning.
Triple lock replaced by earnings-linking from the next Parliament.	LATER Next Parliament	Long-term State Pension growth assumptions in cashflow models may need to change.

Sources: HM Treasury, Budget 2026 (28 October 2026), Budget 2026 Overview of Tax Legislation and Rates and Annex A. Measures are subject to the Finance Bill and may change before they become law.

COMING NEXT · THE BIGGER CHANGE FOR ADVICE FILES

New FCA advice rules: *COBS 9C*

The Budget changes the tax numbers. The FCA's overhaul of the suitability rules changes how advice files themselves are judged, so for file review it is the bigger change. In consultation paper CP26/10 the FCA proposed merging COBS 9 and COBS 9A into a single new chapter, COBS 9C. Final rules are expected in a policy statement this quarter.

Why it matters for your files

Most of today's suitability tests stay, but several move from fixed requirements to proportionate, risk-based judgement. A file that would fail today's "necessary information" test could pass under COBS 9C, and the reverse. Files will need to be judged against the rules in force **on the date the advice was given**.

Proposals can change before the final rules. We will confirm the detail once the FCA publishes.

CONSULTATION
CP26/10, published 25 March 2026, closed 22 May 2026

FINAL RULES
Policy statement expected Q4 2026

IN FORCE
Date to be set in the policy statement, expected 2027

Key proposals to watch

"Sufficient", not "necessary", information

The fact-find test moves to a risk-based standard: enough information for a reasonable basis that the advice is suitable, scaled to the scope of advice, product complexity and the client, including vulnerability.

Frank: completeness checks re-tuned to the scope of each piece of advice.

Shorter, proportionate suitability reports

Reports must explain why the recommendation is suitable and its disadvantages, concisely and without repeating information already given. A report is also needed for a recommendation to take no action.

Frank: report-length and content checks rewritten for the new standard.

Ongoing advice and reviews

Annual suitability reviews are replaced by periodic reviews based on client need. Ongoing fees must match a service clients actually receive, with processes to stop fees for disengaged clients.

Frank: ongoing-service checks focused on need, fair value and service delivered.

Simplified advice

Rules to make simplified advice workable for straightforward needs, such as a simple ISA or starting pension contributions. It remains a personal recommendation. DB transfers and complex tax and estate planning are excluded.

Frank: a way to review simplified-advice files on their own terms.

Risk and capacity for loss

One term, "attitude to risk", replaces three. Long psychometric questionnaires are not required. Knowledge, experience and ability to bear losses are assessed proportionately.

Frank: risk-profiling checks updated to the single term and proportionate approach.

What stays the same

COBS 19 rules for safeguarded pension transfers remain. Charging rules and the Level 4 qualification are unchanged. Some detailed rules go where Consumer Duty already gives the same protection.

Frank: pension transfer checks carry on as now.

Sources: FCA CP26/10, Simplifying the pensions and investment advice rules (March 2026); Freshfields, Reforming the advice landscape (May 2026). Based on the FCA's proposals; final rules may differ.

KEEPING FRANK CURRENT

How we will update *Frank*

Frank reviews each advice file against the rules and tax position that applied **on the date the advice was given**. Budget and FCA changes therefore go in as dated updates. Older files keep being checked against the rules that applied at the time, and newer files against the new ones. You do not need to do anything to switch over.

THIS WEEK · FROM 28 OCT 2026

Changes already in force

We update Frank's pension and LISA checks for the measures that apply straight away: the end of the two-year rule for death benefits, and the 20% penalty for buying above the LISA price cap.

EARLY NOVEMBER 2026

Post-Budget refresh

We correct the cash ISA position (the £20,000 limit is kept) and add the new savings and property income rates to Frank's April 2027 rules, along with the other Budget measures.

WHEN THE FCA PUBLISHES FINAL RULES

COBS 9C: our biggest update

We rebuild Frank's suitability checks for COBS 9C: the information standard, report content, ongoing advice and simplified advice. Frank holds both rule sets and switches by advice date on the day the new rules take effect.

6 APRIL 2027

New tax year goes live

Pension funds in IHT, the higher savings and property rates, the BADR limit and the Pension Tax Allowance all apply to advice dated from 6 April. Frank's pension, estate-planning and ISA checks are updated to match.

ONGOING

Regular rule refreshes

We refresh the FCA rules and guidance Frank checks against periodically, to catch any changes as they are published.

What we'd suggest you do now

- Pick out clients whose estates include large pension pots, and plan reviews ahead of April 2027.
- Check templates and client letters for the two-year rule and any £12,000 cash ISA wording.
- Flag landlord and cash-heavy clients for a look at the new savings and property rates.
- Talk to business owners planning a sale before 6 April 2027 about the BADR cut.
- Start reviewing your suitability report templates and ongoing service terms with COBS 9C in mind.

New to Frank?

Frank is IntegrityAI's AI compliance reviewer. He reads every advice file end to end, checks it against the FCA rules that apply to that case, and sends back a graded review with the remedial actions in the order they should be dealt with.

Frank proposes, your reviewer decides. When the rules or the tax year change, we update Frank, so your reviews stay current.

Questions about the Budget, COBS 9C or *Frank*?

We are happy to talk through how these changes affect your files, or to show you Frank on a sample of your own cases.

simon.owen@integrityai.uk
integrityai.uk

This briefing summarises the Budget 2026 documents published by HM Treasury on 28 October 2026 and the FCA's CP26/10 proposals, for professional advisers. It is not tax, legal or financial advice. Measures may change as the Finance Bill passes through Parliament and when the FCA publishes final rules. Frank's update dates are our current plan and may move if legislation or FCA timetables change.