

The Budget, Considered.

What changes the decision.

How to explain it.

FOUR PERSPECTIVES

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Same Budget.

Different decisions.

Clients will encounter the same headlines. The decisions they face will depend on their circumstances, their concerns and what they want to achieve.

The Budget, Considered separates new Budget measures from unchanged rules and earlier measures due to take effect. It examines what these mean for the planning questions that matter most to advisers and their clients.

QUESTIONS IN FOCUS

- 01 Should I take my tax-free cash now, and what happens to my pension when I die?
- 02 Where are we on ISAs now?
- 03 Should I pay myself in dividends or salary?
- 04 How should I hold my investments as dividend and savings tax rates change?
- 05 I have a lump sum. What are my inheritance tax options?
- 06 Do I need to do anything at all?

Sometimes the Budget will change a planning answer. Sometimes it will leave it intact. The guide helps establish which applies, what still needs review and how to discuss it with the client.

A selection of the questions in focus. Final coverage will reflect what is most material after the Budget.



Inside every question.

Four perspectives. Applied.

For each question: two pages of adviser analysis and a one-page client conversation planner. The analysis connects the Budget position with a planning judgement, worked example, client behaviour, Consumer Duty and communication. The planner provides topic-specific prompts to prepare and guide the discussion, with space to record the agreed next step and review trigger.

THE BUDGET, CONSIDERED • THE JUDGEMENT

HYPOTHETICAL BUDGET OUTCOME • NOT AN ANNOUNCEMENT • ILLUSTRATIVE SCENARIO FOR 28 OCTOBER

01 / PENDING

01

Should I take my pension tax-free cash now?

THE VERDICT, IN THIS SCENARIO

Review, don't act.

An unannounced change to the Budget removes this Budget as a reason to rush. It does not settle the wider retirement or estate planning decision, the purpose, timing and consequences of a withdrawal still need to be tested.

WHAT WOULD PROMPT A REVIEW

An announced change to tax-free cash or the lump sum allowance.

A firm spending or gifting commitment.

A change in the client's health or estate.

The April 2027 pension HT position for this client.

SEENESS & STATUS

Current rules checked 12 October 2026. Budget outcome hypothetical, no cut to tax-free cash pension HT reforms stand.

[1] HMRC pension tax-free amounts, HMRC: PFM03220.

[2] HMRC technical note on pension HT 20 May 2026, Finance Act 2026.

Reflected against the Budget documents and effective dates.

ALREADY LEGISLATED

In force 6 April 2027, Finance Act 2026.

Most unannounced pension funds and death benefits enter the estate for HT for deaths from 6 April 2027. An existing reform, not a new announcement, relevance depends on the client's estate and beneficiaries. [2]

UNCHANGED

Checked 12 Oct 2026.

The usual 25% tax-free entitlement and the standard £268,275 lump sum allowance continue, subject to individual limits and any protections. [1]

What is the client really asking?

CLIENT BEHAVIOUR

ASK BEFORE COMPARING

"Can I stop worrying about it for another year?"

There is no new Budget deadline in this scenario. Explain that clearly, then explore the client's wider retirement and estate planning position.

"I think I've about to lose something."

State the position precisely, once. Test the belief before comparing options, and record that it was tested.

"I have a specific spend to fund."

Establish the amount and the date. Compare funding routes, tax-free cash may be right for exactly that sum.

"What could having the whole amount in your bank account allow you to do, or stop you worrying about?"

A gifting conversation, with the April 2027 pension HT position in view. Amount and timing follow the promise, not the headline.

"I've promised help to someone."

A gifting conversation, with the April 2027 pension HT position in view. Amount and timing follow the promise, not the headline.

THE JUDGEMENT • THE POSITION / WHAT THE CLIENT IS ASKING

THE BUDGET, CONSIDERED 06

THE BUDGET, CONSIDERED • CARRIED THROUGH

HYPOTHETICAL BUDGET OUTCOME • NOT AN ANNOUNCEMENT • FIGURES ILLUSTRATIVE, NOT A RECOMMENDATION

01 / CONTINUED

04

The answer, illustrated.

Alex, 61, has an untouched £400,000 defined contribution pension and needs £18,000 over the next year after other resources, but is considering taking all available tax-free cash because of Budget headlines.

THE TECHNICAL POSITION, WORKED

	FULL AMOUNT	STATED NEED
Planned spending need	£18,000	£18,000
Tax-free cash taken	£100,000	£18,000
Cash beyond the stated need	£82,000	£0
Funds remaining in the pension	£300,000	£382,000

The decisive fact. £82,000 has no stated purpose yet. Establish one before comparing the options, a headline is not a purpose.

What would change the answer. A justified £100,000 need removes the surplus and changes the comparison, not the need for suitability. A promise to help someone brings the April 2027 pension HT position into the decision. A preference for accessible cash is a trade-off to price, not a reason to act, access, weaker tax and estate position.

Before the decision.

CONSUMER DUTY IN PRACTICE

UNDERSTAND

Ask Alex what taking the full amount would achieve and the trade-offs they see. Distinguish the absence of a new cut from the possibility of future change and from the separate pension HT reform. "No change" is not a blanket assurance.

SUPPORT

Adapt the explanation and pace to any support needs; compare the alternatives in the client's own terms.

EVIDENCE

Record the purpose and belief, the options considered, the support provided, the agreed decision and the review trigger. A decision to retain the plan deserves the same clarity.

How to explain it.

COMMUNICATION AND ENGAGEMENT

WORKED, NO PLANNED NEED

A concise factual outline and an invitation to discuss before deciding.

A REAL SPEED OR HIT

A review of the amount, timing and funding route.

ALREADY WITHDRAWN

A constructive review of the cash's purpose, where it is held and its consequences.

ASSUMPTIONS

Full standard lump sum and death benefit allowances, no protections. Scheme permits partial drawdown, has modelled growth, charges, income withdrawal.

The potential note Crystallise £75,000 £18,000 as a pension commencement lump sum, £57,000 designated to drawdown, £18,000 stays uncrystallised. Not an LPSL payment. HMRC: PFM03220, PFM03220.

REGULATORY BASIS

FCA PER 24.5, FDS25, chapter 8. The three points are practical applications, not a checklist.

AGREE THE NEXT STEP

Ask the review trigger. Then send an after record of the decision and its reasons. Use the conversation planner (page 17) to prepare the discussion and record the agreed next step.

THE ANSWER • BEFORE THE DECISION / THE CONVERSATION

THE BUDGET, CONSIDERED 06

THE BUDGET, CONSIDERED • CLIENT CONVERSATION PLANNER

01 / BUDGET REVIEW PAGE

07

Should I take my tax-free cash now?

Prepare the conversation.

Use the adviser analysis on pages 05-06 to establish the Budget position. Then explore the client's purpose, timing and concerns before agreeing the next step.

01 Establish the purpose.

02 Establish the timing.

03 Explore the concerns.

AGREED NEXT STEP

Review date or trigger

CLIENT CONVERSATION PLANNER • THE BUDGET, CONSIDERED 07

THE JUDGEMENT

THE ANSWER, CARRIED THROUGH

CLIENT CONVERSATION PLANNER

Pre-Budget format preview. The example shown uses a hypothetical Budget outcome.

01

The verdict, stated first.

A clear judgement under stated conditions, and what would prompt a review.

02

Has the Budget changed the answer?

What this Budget changes or leaves unchanged, distinguished from earlier measures due to take effect. Dates and sources.

03

What the client is really asking.

The client's objectives and concerns, and what to establish before reaching an answer.

04

The answer, illustrated.

A worked example with clear assumptions and the facts that could change the answer.

05

Before the decision.

Consumer Duty in practice: what to establish, explain and record.

06

How to explain it.

How to frame the implications clearly and respond to different client concerns.

07

Client conversation planner.

A one-page adviser tool with topic-specific discussion prompts and space to record the agreed next step and review trigger.

THE 3RD ACT

03

Four perspectives. *One considered answer.*

Technical judgement, client behaviour, Consumer Duty and communication, brought together around the same planning questions.



Tony Wickenden

TECHNICAL

The rules, how they interact, and what they mean for the planning decision.



Phillip Wickenden

CLIENT BEHAVIOUR

The objectives, concerns and circumstances that shape the answer.



Simon Collins

CONSUMER DUTY

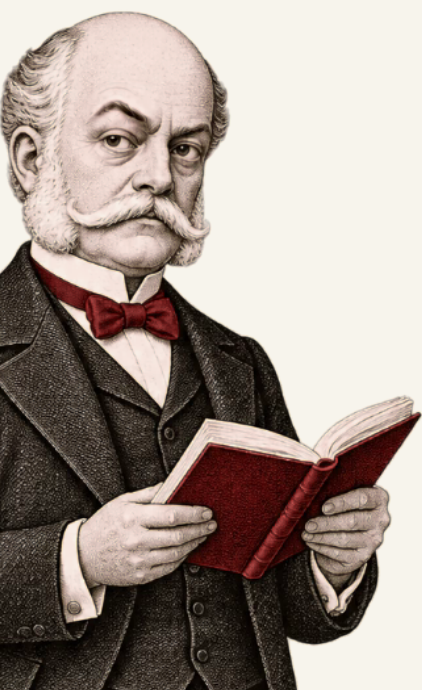
What to establish, explain and record before agreeing the next step.



Jamie Dunkley

COMMUNICATIONS

How to make the implications clear and the conversation useful.



First, the Budget. Then, if we may, *some consideration.*

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Better judgement. Carried through.

The 3rd *Act*
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