



VIEWPOINT

ST BARTS FINANCE LTD

Please enjoy reading our newsletter. If you would like to discuss any of the articles further, please do not hesitate to contact us.



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Three ways to teach children the value of money

Teaching children about money doesn't have to be complex or overwhelming. Starting with simple principles like saving, spending and sharing can help them develop lifelong positive financial habits.

1. Make saving exciting

Delayed gratification can be challenging for children, so the key is to make saving exciting. Set up a "goal jar" for something your child wants (like a toy or a special outing), put it somewhere prominent and encourage them to put money towards it.

Literally watching their savings grow teaches kids patience but also helps them understand the value of saving for specific goals. For older children, consider a savings account that allows them to check their balance online. This turns the jar on the counter into a digital experience that can help prepare them for real-world banking.

2. Learn smart spending

Kids, like adults, can be tempted by impulsive purchases, but encouraging them to spend wisely is just as important as teaching them to save. If they have their eye on two items, encourage them to compare the prices or features and think about which one they want more. Talking through these choices with your child shows them how to budget and make compromises.

Setting a spending limit for things like toys, games, snacks or experiences can also be helpful. You could give them a set amount of money each month for these extras and let them decide how to allocate it. This helps kids learn to manage their own money and empowers them to make choices that reflect their priorities.

3. Teach generosity and compassion

Teaching children to share their resources is another valuable lesson that helps build empathy and show them that money isn't just for buying things. You could introduce this idea by designating a small portion of their allowance for something charitable and letting them decide how it's used. For example, they could donate it to an animal shelter or use it to buy items to give to a food bank.

You could also set up a "giving jar" for causes that matter to your family and set a good example by regularly putting money into it. Seeing their money make a difference to others is a powerful lesson in generosity and compassion, but it also reinforces the idea that money can be used as a tool for positive change.

Build lifelong financial confidence

Teaching children about saving, spending and sharing can help them develop good financial habits and make the most of their own money when they grow up.

A Junior ISA (JISA) is a great way to give them a helping hand towards things like their first car, university fees or deposit for their first home, as well as setting them a good example. You can save up to £9,000 a year into a JISA and, just like other ISAs, the interest is tax free. Your child can take control of the account when they're 16 and start withdrawing the money when they turn 18.

Get in touch if you want to know more about JISAs or to make plans to secure the financial security of the children in your family.

Figures based on the ISA allowance figures for the 2025/2026 tax year.

An ISA is a medium to long term investment, which aims to increase the value of the money you invest for growth or income or both. The value of your investments and any income from them can fall as well as rise. You may not get back the amount you invested.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

Why mortgage rates don't always drop when the base rate does?

The Bank of England's Monetary Policy Committee (MPC) is the group responsible for setting the bank base rate (BBR). This interest rate influences the cost of borrowing for banks and the rates they offer on loans, mortgages and savings, all with the ultimate aim of helping to control inflation.

When the committee meets roughly every six weeks, all eyes are on its decision. Based on a large number of factors in the UK economy and also abroad, the MPC will decide whether to raise, hold or cut the base rate.

You may expect a cut to the base rate to mean an instant cut to mortgage rates – however, this isn't always the case. In reality, the base rate is just one component that influences the mortgage rates offered by a lender.

Swap rates

Another factor is something called swap rates – the rate lenders pay to access money to lend. Think of these like the stock exchange – they fluctuate all the time depending on economic conditions, global factors, market expectations and sentiment. If swap rates increase, then so does the cost for lenders to lend money.

When the economy is stable and inflation is on track, a decision to cut the base rate can cause swap rates to fall and almost instantly bring mortgage rates down. However, if swap rates become unsettled by economic events, future expectations for inflation or challenges abroad, a cut to the base rate may not be enough to calm swap rates, causing the cost for lenders to borrow money to increase.

We have seen this recently following the Chancellor's Budget. The big policy announcements made by the Chancellor, along with concerns in the Middle East and uncertainty around the implications of the US Presidential race, unsettled swap rates and caused them to rise. Even with the positive news from the MPC to cut the base rate, it wasn't enough to stop fixed rate mortgages increasing.

What about trackers or SVR?

It's important to note that this swap rates something that mainly impacts fixed rate mortgages. A cut to the base rate will be felt almost immediately by those who are on a tracker mortgage – a flexible rate that follows the bank base rate – or if you are on a lender's standard variable rate (SVR) – a changeable rate set by the lender typically after your fixed rate comes to an end.

This is only a minority of borrowers though, as according to UK Finance, 74% of homeowner mortgages are on a fixed rate contract, with 94% of new borrowers choosing this since 2019.



Supply and demand

Alongside swap rates, supply and demand is another factor that can cause mortgage rates not to drop if the base rate is cut. It may seem advantageous for one lender to offer a lower rate than their competition. However, if a rate is too competitive following a rise in swap rates, they may become overrun with new business enquiries and unable to cope with the demand.

In this instance, we may see some lenders decide to follow the herd and reprice their products, bringing them closer in line with their competition.

Separately, it is important to note that lenders have many internal factors that will decide whether they raise or reduce mortgage rates. This can include their own lending targets and future pipeline, competitor pricing and overall service levels, irrespective of swap rates or the bank base rate.

Get advice today

Understanding the factors that can contribute to mortgage pricing can be important in helping you make the right decision. While this can be confusing, with lots of factors contributing to the rates on offer, mortgage and protection advisers can offer plenty of knowledge, support and access to lots of lenders for those looking to navigate the market.

Whether you're looking to apply for a mortgage, you are soon due to remortgage or you are just looking for some advice, we can help you find the right solution.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Seven things you can do to minimise will disputes

We all hope that our estates will be dealt with in an orderly, considerate manner after we pass away, but families can often become embroiled in challenges to wills that are often expensive, time-consuming and emotionally draining.

Disputes can be taxing for our loved ones, but they can also affect how our estates are handled. Your assets might not be passed on in the way you intended, and people you wanted to benefit from your estate might be overlooked. Fortunately, there are some steps you can take to help minimise disputes over your will.

Understanding your estate can help you make decisions about your will

These seven actions can help to reduce will disputes, but having a full understanding of your estate can give you the greatest peace of mind. We're here to talk if you want to talk about your will or your estate planning to help you decide how you want your assets to be passed on.

Please note: The Financial Conduct Authority does not regulate estate planning. Will writing is not part of the Openwork offering and is offered in our own right. Openwork Limited accept no responsibility for this aspect of our business. Will writing and estate planning are not regulated by the Financial Conduct Authority.

1. Speak to your loved ones about your wishes

It's not any easy conversation to have, but discussing how you want to pass on your estate with your family can help to avoid disputes. It gives you the chance to explain your decisions and ensure that there are no surprises for the inheritors when your will is read.

2. Write a letter of wishes

You can also write a letter which outlines your wishes to be read alongside your will. This gives you another opportunity to explain your estate planning decisions which could be helpful for beneficiaries and the executor of your estate. This letter can also act as further reinforcement of your wishes if a dispute does arise.

It's important, therefore, to make sure that your letter of wishes doesn't go against what's written in your will. You may want to ask a solicitor to review it to remove any errors or contradictions.

3. Include a no-contest clause in your will

Adding a no-contest clause doesn't prevent someone from raising a dispute, but it can be an effective deterrent. This clause generally states that a beneficiary forfeits any inheritance they may have been entitled to if they challenge your will and lose their dispute. It's another tool you can use to help ensure that your assets are passed on in the way you want.

4. Hire a solicitor to write your will

You can write your will without professional legal support, but engaging a solicitor to write it for you can help you to express your wishes as clearly as possible. They'll use language that minimises contradictions and clearly sets out the way you want your assets to be passed on.

That can be especially vital if your estate planning is complicated, for example if you own assets in other countries or if you have investments. The support of a solicitor can increase your confidence that your complex estate will be passed on smoothly.

5. Ask a medical professional to witness your will

Your will must be made or acknowledged in the presence of two witnesses for it to be valid. These people must be:

- Aged 18 or over (16 or over in Scotland).
- Have the mental capacity to understand what they are signing.
- Not be related to the person making the will or have a personal interest in the will.

You can ask a medical professional, such as your GP, to witness your will and confirm that you were of sound mind when you wrote or amended it if you're worried that it might be contested on medical grounds.

6. Review your will regularly

A common cause of will disputes is a beneficiary claiming that it doesn't reflect your circumstances at the time of your passing. A regular review of your will helps to ensure that it's always up to date and minimise the risk of this kind of challenge.

Reassessing every five years will help keep the terms of your will current. You may also want to review it after major life events, for example if you welcome a new grandchild into your family, remarry, or if your wealth changes significantly.

7. Store your will securely

Make sure that you keep your will in a safe place and your executor knows where it is. Destroy previous versions of your will when you update it to avoid potential confusion.

You can keep your will yourself, leave it with your solicitor, or lodge it with the Probate Service if you live in England or Wales – each method has its pros and cons, and we're happy to explain these so that you can choose the right one for you.