

Specialist investment proposals: questions before tax or management labels

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Specialist investment decisions need clear purpose, risk, liquidity and cost analysis before tax relief or a management label is considered. Discretionary services, venture investments and bonds have different arrangements and conditions. Verify the provider and obtain relevant specialist advice. Neither a tax advantage nor authorisation guarantees performance or suitability.

Important risks

Where money is invested, its value and income can fall as well as rise and you may get back less than you invest. No return or retirement outcome is guaranteed.

Specialist investments can be difficult to sell, can lose all the capital invested, and may not qualify for or retain expected tax relief. An educational guide does not establish product eligibility or suitability.

Tax treatment depends on individual circumstances and may change in the future. A general example does not establish your relief, allowance or tax liability.

General information only, not personalised financial, tax or legal advice. Suitability and available relief depend on your circumstances. Obtain appropriate advice before acting on a product, transfer or legal arrangement.

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Before you begin

Start with the financial need and what could go wrong without the anticipated tax benefit. Ask who makes decisions, what is owned and when capital can be accessed. Read actual product documents and separate relief eligibility from investment merit. Higher complexity can increase the importance of oversight and reporting. Scam checks remain relevant even when a proposal uses a

familiar regulated firm's name.

Terms in plain English

Capacity for loss

The financial ability to absorb losses without undermining essential spending or the purpose of the money. It differs from willingness to take risk.

Do I need discretionary investment management?

Clarify which decisions are delegated and which still require your consent. Check how the manager coordinates with the financial adviser and how suitability is reviewed. Compare tax-aware implementation, reporting and charges rather than relying on the service label. A bespoke portfolio can still contain material concentration, market or liquidity risks.

Decision boundary: Delegation can obscure costs or exposures if the mandate and reporting are poorly understood. Ask the adviser: What authority am I delegating, and who checks that the mandate remains suitable?

Sources: F02, F03, M10

Should I consider Enterprise Investment Scheme investments?

HMRC advance assurance concerns specified scheme conditions and is not an endorsement of investment performance. Confirm which relief is relevant, the holding requirements and circumstances in which relief could be withdrawn. Treat the investment case separately from the tax case. Do not use money required for near-term spending or essential retirement income without a suitably assessed plan.

Decision boundary: Investments may be illiquid or fail, and relief can be unavailable or withdrawn. Ask the adviser: Could I afford the loss and lack of access even if the expected relief did not apply?

Sources: G19, F02

Are Venture Capital Trusts suitable after using other allowances?

Compare the VCT proposal with retaining cash or other appropriately assessed investments rather than assuming it is the next mandatory step. Verify current relief rules directly with HMRC and the investment's current offer documents. Review the underlying portfolio, manager charges and practical ability to sell. Tax efficiency is only useful if the investment remains suitable.

Decision boundary: Capital can be lost and selling may be difficult or affect relief. Ask the adviser: What financial need does this meet independently of the advertised tax relief?

Sources: G19, F02

Should an offshore investment bond form part of my plan?

Ask for a product-specific explanation of how withdrawals, surrender, assignment and death are treated. Distinguish investment performance from the tax wrapper. Residence history and ownership can affect analysis, so avoid relying on simplified promotional examples. Check any withdrawal allowance or expected tax saving against the actual contract and specialist tax advice.

Decision boundary: Complex charges, investment losses and misunderstood tax events can undermine the intended plan. Ask the adviser: Which events create a tax charge under this contract and my actual residence history?

Sources: G21, F02, M10

An investment offer promises high returns. How do I check it?

Fraudsters can impersonate genuine firms and copy register details. Compare contact information with the FCA's own records rather than using a number or link supplied by the caller. Check the specific service and whether the proposed investment carries the protections claimed. If money has already been sent, contact the bank promptly and follow official reporting guidance.

Decision boundary: Clone-firm scams can use genuine names and registration details. Ask the adviser: Have I independently confirmed both the firm and the permissions for the specific service?

Sources: F04, F05

Your preparation checklist

- Test affordability of loss and lack of access.
- Verify the firm and specific permissions independently.
- Ask for total costs and the delegated mandate.
- Confirm tax conditions with current primary guidance.

Next steps

A specialist product is not a required next step after using other allowances. Compare simpler alternatives and obtain advice from professionals with the relevant expertise and permissions. Check eligibility, all costs and access restrictions separately from any claimed tax advantage.

General information only, not personalised financial, tax or legal advice. Suitability and available relief depend on your circumstances. Obtain appropriate advice before acting on a product, transfer or legal arrangement.

Sources and further reading

F02: Financial Conduct Authority - Investment risk and return

<https://www.fca.org.uk/investsmart/risk-returns>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

F03: Financial Conduct Authority - Diversification limitations

<https://www.fca.org.uk/investsmart/diversification>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

M10: MoneyHelper / Money and Pensions Service - How much does a financial adviser cost?

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/guide-to-financial-adviser-fees>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

G19: HMRC / GOV.UK - Tax relief for investors using venture capital schemes

<https://www.gov.uk/guidance/venture-capital-schemes-tax-relief-for-investors>

Retrieved 2026-10-02. Source publication date: 2016-01-01.

G21: HMRC / GOV.UK - Tax on foreign income

<https://www.gov.uk/tax-foreign-income/residence>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

F04: Financial Conduct Authority - Share, bond and boiler room scams

<https://www.fca.org.uk/consumers/share-bond-and-boiler-room-scams>

Retrieved 2026-10-02. Source publication date: 2017-08-10.

F05: Financial Conduct Authority - How to check a firm or individual is authorised

<https://www.fca.org.uk/consumers/how-check-firm-individual-authorised>

Retrieved 2026-10-02. Source publication date: 2023-03-20.

Discuss your questions

For a discussion of your circumstances, contact Castle Stonebridge on 01246 308249 or visit <https://castlestonebridge.co.uk>. Any personal recommendation requires an individual assessment.