



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Siân Berry MP
House of Commons
London
SW1A 0AA

7 August 2025

Dear Siân,

Thank you for your email of 3 July to enclosing correspondence from your constituents, about Lifetime ISAs (LISAs).

I understand your constituents' concerns around the LISA withdrawal charge, and in particular their concerns for savers who are looking for a first-time home purchase but discover that prices of the homes they are looking for are rising above the £450,000 price cap.

As you have noted, the latest data from the UK House Price Index shows that, while the average price paid by first-time buyers has increased, it is still below the LISA property price cap in all regions of the UK except for London where some properties which have very high property values.

The Government recognises that some prospective first-time buyers may seek to purchase homes valued over £450,000, particularly in London. However, the rules of the LISA are clear that the property must cost £450,000 or less.

This Government is committed to helping first time buyers own their own home, and will do this by fixing the planning system and building 1.5 million more homes. The Government is reforming the National Planning Policy Framework to get Britain building. This includes the reintroduction of mandatory housing targets and changes to Green Belt policy to bring low quality land into scope for development.

Alongside this, the Government has announced a new, permanent Mortgage Guarantee Scheme which is now available for lenders to join, delivering on the manifesto commitment to support buyers with small deposits throughout the UK. The Scheme will help to support and sustain availability of low deposit mortgage products, helping prospective buyers with a deposit as small as 5 per cent to own a home.

Please pass on my thanks to your constituents for taking the trouble to make me aware of these concerns.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E Reynolds', with a large, stylized initial 'E'.

EMMA REYNOLDS MP
ECONOMIC SECRETARY TO THE TREASURY