



**Alexander Peter**  
Wealth Management

# 10 top savings and investment tips for Brits living in Europe



As a Brit living in Europe, managing your finances presents unique opportunities and considerations.

You may find you can save more than you ever managed in the UK. Higher income coupled with lower living costs, as well as potential tax efficiencies, gives you an ideal opportunity to grow and protect your wealth.

Whether you're saving for something in the near future or taking a long-term view to planning for your retirement, this guide shares 10 savings and investment tips to help ensure you make the best decisions for securing your wealth and enjoying the lifestyle you and your family deserve.



## Specialist advice for British expats

Alexander Peter Wealth Management provides specialist advice to British expatriates and international employees living around the world. We have advisers based in the UK, Europe, Australia, and the US.

Our European office provides comprehensive advice to European residents and those with connections to Europe.

Experienced in helping other clients like you, we can help you:

- Pay less tax
- Set up and start your life abroad
- Advise and assist you in transferring assets cross-border
- Reassure you that you remain on track to achieve your goals with regular cashflow updates
- Ensure you're on track to afford your desired lifestyle in retirement
- Protect your wealth for future generations
- Settle into your new home overseas, safe in the knowledge that your assets are protected.

We are privately owned and totally independent. So, you can rest assured that you will receive the most appropriate recommendations from the open market.

Wherever you live in the world, we can provide regulated financial advice.

Our expert advisers are fully licensed and regulated in both the UK and Europe and can help with the decision-making and practicalities of saving and investing, taking all the tax considerations into account.

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# 1. Have a plan

Whether you're considering a move to Europe for work or a better quality of life, or you're already enjoying the expat lifestyle, saving and investing is key to fulfilling your dreams.

Keeping control of your finances is always important, but it's essential if you're living overseas.

If you're planning on staying abroad for a known, fixed period, make sure you plan for your time away and your eventual return to the UK.

A sound financial plan can help you unlock wealth potential. You'll also be better equipped to deal with any setbacks you may face.

When you look at your finances, you need to account for assets and income in Europe and in the UK, so you have a clear picture of everything that you have.

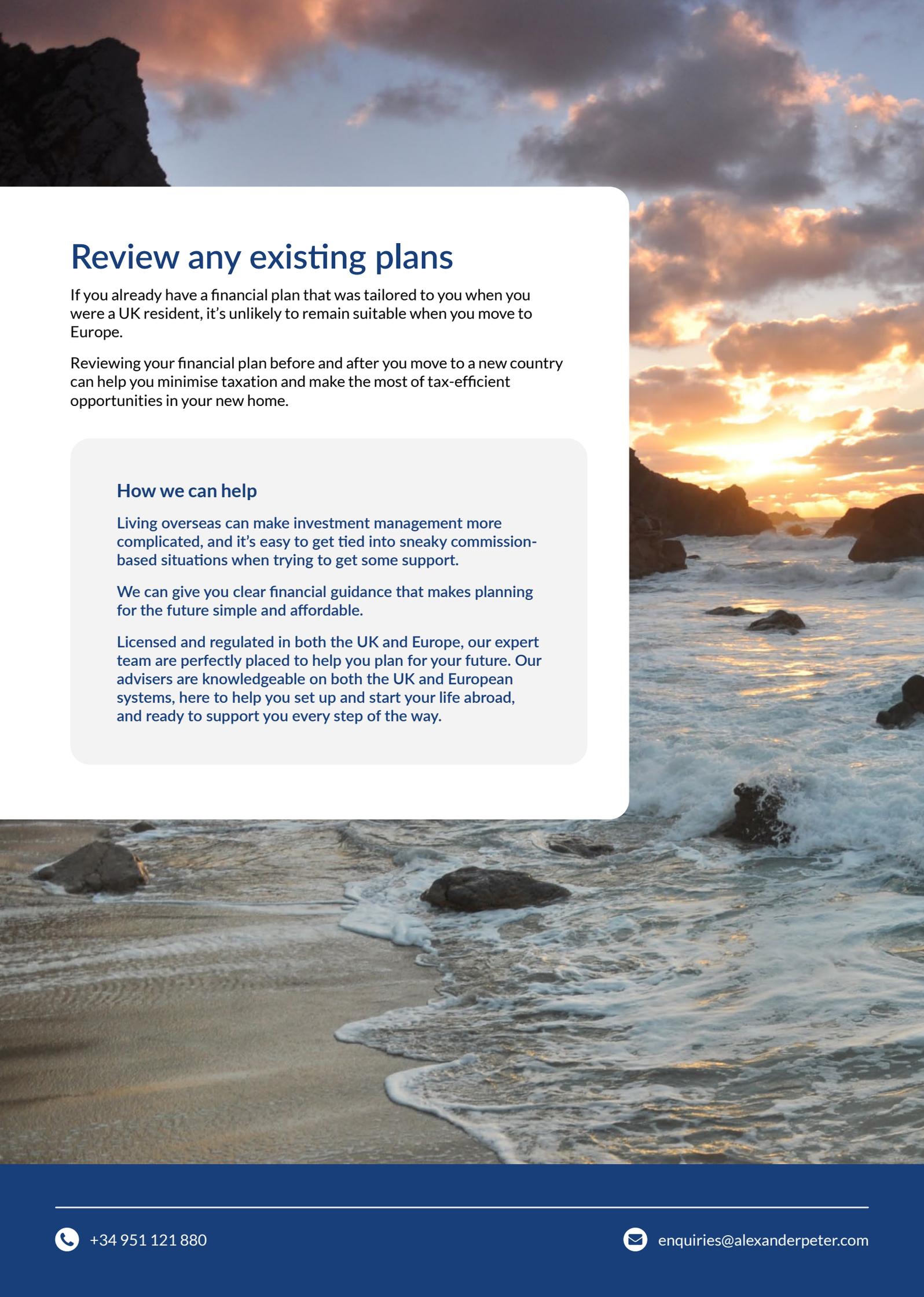
This clarity will also prove invaluable in ensuring you understand the tax you may need to pay in Europe, and to HMRC in the UK.

## Plan to achieve your dreams

Planning for near- and long-term goals can give you peace of mind and reassurance that your finances are on course to meet your goals and objectives.

Whether you're planning a trip of a lifetime, saving for school or university fees, or want to enjoy a comfortable retirement in years to come, having a plan will help you achieve your dreams.





## Review any existing plans

If you already have a financial plan that was tailored to you when you were a UK resident, it's unlikely to remain suitable when you move to Europe.

Reviewing your financial plan before and after you move to a new country can help you minimise taxation and make the most of tax-efficient opportunities in your new home.

### How we can help

Living overseas can make investment management more complicated, and it's easy to get tied into sneaky commission-based situations when trying to get some support.

We can give you clear financial guidance that makes planning for the future simple and affordable.

Licensed and regulated in both the UK and Europe, our expert team are perfectly placed to help you plan for your future. Our advisers are knowledgeable on both the UK and European systems, here to help you set up and start your life abroad, and ready to support you every step of the way.

## 2. Secure your cash savings

As a Brit living in Europe, you may find that you are more exposed to fluctuations in exchange rates. This can also have a big impact on your savings and investments.

To avoid any adverse effects, make sure you have a savings account in your most frequently used currency. If you travel a lot or live in several places, consider saving in a range of currencies.

As well as being easily accessible, savings accounts offer a secure place to store your capital while earning a fixed interest rate. However, it's not necessarily wise to keep too much of your wealth in the bank.

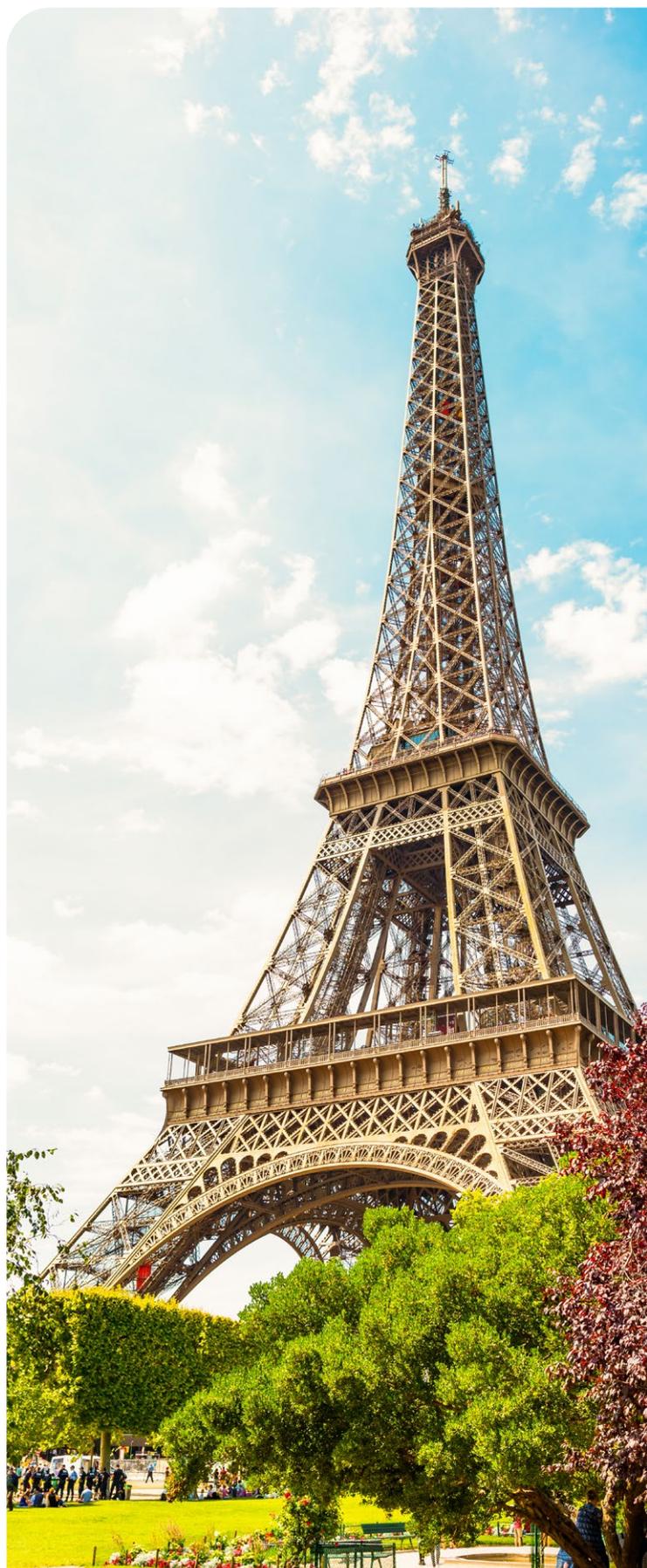
Although the European Central Bank and the EU countries' governments aim to keep inflation between 2% and 3%, the increase of cash injected into markets to stimulate the economies of Europe in response to the coronavirus pandemic has seen a rise in inflation.

When inflation goes up, your spending power goes down.

Despite the risk of inflation, it's usually necessary to keep at least some of your savings in an easy access account so you can easily deposit and withdraw your cash at any time. This way, you'll always have ready access to cash in an emergency.

### Avoid holding too much of your wealth in cash

If you hold too much of your wealth in cash, you are unlikely to be able to keep pace with inflation. This will reduce your purchasing power and it will be more difficult for you to achieve your goals.





### 3. Keep and maintain a separate emergency fund

Set up an emergency fund in an easy access account.

You should hold at least three months' living costs in an emergency fund to cover any unexpected expenses.

The amount you should hold will depend on your specific circumstances. In general, it is wise to hold enough cash to cover living expense for between three and six months.

Beware of holding more than six months' worth of living expenses in cash. Low interest rates coupled with inflation could erode the real term value of your money.

There are obviously exceptions to this and some cases where it is prudent to hold even 12 months' worth or more.

#### How much should you hold?

To be sure you hold adequate cash on hand and remain in a sensible tax position, we will analyse your situation and recommend what level is most appropriate for you.



## 4. Consider whether you should move your assets to Europe

If you're planning to live in Europe and think you're likely to remain there permanently, you may want to transfer some or all of your UK assets.

With different tax regimes to consider, and assets under both, it's essential that you manage the movement and disposal of assets with care.

Planning how and when to move your assets could help you avoid a hefty tax bill, from HMRC in the UK or from the European country you move to.

As a British national in the EU, you face an array of complicated tax rules and requirements. If you hold assets outside Europe, such as UK pensions, ISAs, and investment accounts, these will be assessed and liable for tax in Europe.

As a result, it can be a good idea to find more tax-efficient ways to hold your assets.

If you're moving from Britain and have existing ISAs and other investments, it is wise to explore potential options that could be more tax-efficient in both the short and longer term. There are a variety

of investment options available. We will help you understand what may work best for you according to your financial objectives.

You also need to remember to consider fluctuations in the exchange rate. Moving your assets at the wrong time could erode your wealth and harm your long-term plans.

### Rethink your tax-efficient investment strategy

While ISAs provide tax advantages in the UK, they don't provide the same advantage in the EU and can carry a significant tax disadvantage.

If you have existing ISAs, it is wise to explore potential options that could be more tax-efficient in both the short and longer term.

### Understanding your investment options as an expat can be complex and confusing

Getting the right advice is crucial to ensure you don't fall foul of the more complex investment rules or end up paying unnecessary tax.

All our advisers have in-depth knowledge of both the UK and European systems. We can help you set up and start your life abroad and are here to support you every step of the way.



## 5. Know how living in Europe will affect your ISAs

An Individual Savings Account, or ISA, is a great option for many UK residents because it provides a safe, convenient, and tax-efficient investment option.

Unfortunately, ISAs are only available for UK residents. So, if you live and work outside of the UK, and are not regarded as a UK tax resident, you will be unable to open a new ISA or contribute any more money to an existing ISA.

If you have some of your wealth in ISAs that you set up while living in the UK, it's important to consider how your ISA will be treated once you move abroad. It's a good idea to explore different options that may prove more beneficial to you in the long run.

Understanding all the available investment options can be complex and confusing. To protect your wealth from unnecessary tax or fines, get independent advice from a qualified adviser.

**We'll help you maximise tax efficiency for your savings and investments**

Licensed and regulated in both the UK and Europe, we can help you make sure your wealth and savings are protected and invested using tax-compliant solutions.

Our expert team are perfectly placed to help you plan for your future. Our advisers have knowledge of both the UK and European systems and are ready to help you set up and start your life abroad.

## 6. Understand your investment options

EU residents have access to locally compliant alternatives that can offer additional advantages besides tax efficiency – multi-currency and estate planning flexibility are just two examples.

Depending on your circumstances, you may find that reviewing and adjusting how and where you hold your capital can significantly improve your tax position.

New arrangements are being developed to take advantage of the changing taxation in the EU, so it is vital to ensure that your investments are in the most tax-efficient arrangements.

When investing as a Brit living in Europe, it's important to understand your tax situation, as there may be advantages to living and working away from the UK.

We can help you make the most of your investment options and guide you towards suitable EU tax-efficient savings arrangements. We'll also ensure that your investments align with your financial objectives, long-term goals, and match your appetite for risk.

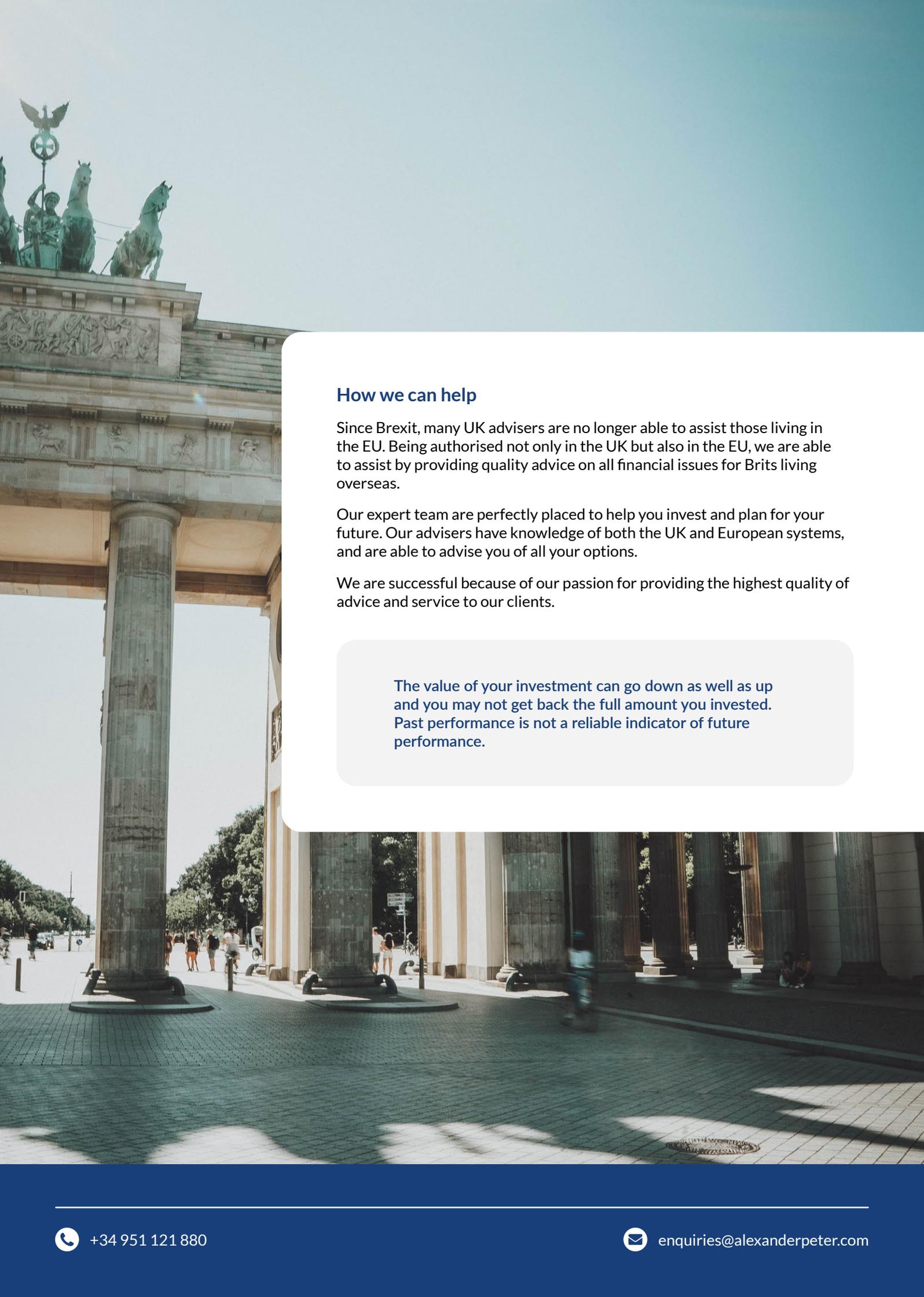
In most cases, the structure of these arrangements removes the necessity of employing an accountant to prepare additional tax returns for your savings and investments, which could save you having to pay large tax bills and professional fees.



### Save in the currency that suits your spending plans

Currency fluctuations can have a big impact on your savings and investments. Ideally, you should plan to save and invest in the currency linked to your long-term plans.

For example, if you're saving to buy a property in Europe, it makes sense to save in Euros to avoid the impact of adverse foreign exchange movements.



## How we can help

Since Brexit, many UK advisers are no longer able to assist those living in the EU. Being authorised not only in the UK but also in the EU, we are able to assist by providing quality advice on all financial issues for Brits living overseas.

Our expert team are perfectly placed to help you invest and plan for your future. Our advisers have knowledge of both the UK and European systems, and are able to advise you of all your options.

We are successful because of our passion for providing the highest quality of advice and service to our clients.

**The value of your investment can go down as well as up and you may not get back the full amount you invested. Past performance is not a reliable indicator of future performance.**



## 7. Save for what matters most

### Save for school and education fees

Saving for your children's education is even more important when you're living abroad, as you'll want to consider continuity and ensure a high quality of schooling in your new home.

Research the fees of international education. What will it cost to send your child to an international school or, as they get older, overseas to university?

### Save for your retirement

You may already contribute to a pension but, for Brits living and working abroad, it can be wise to avoid creating lots of small pots dotted around different countries.

We can help you figure out the best approach to consolidating your pensions and ensure that your retirement savings are invested according to your objectives and tolerance for risk.

If you have more than one UK pension, you can consolidate them into a single self-invested personal pension (SIPP). This could mean less admin and reducing the fees you're paying.

## Transferring your UK pensions

You might find it beneficial to transfer your UK pensions for more flexibility. You can do this using a self-invested personal pension (SIPP).

A SIPP allows you to invest your retirement savings in a wide range of assets, as well as providing lots of different options in how you access your money.

Additionally, SIPP funds can be held in multiple currencies, which can help eliminate concerns around currency fluctuations.

Your pension may be the most valuable asset you own. Make sure you protect it by doing as much research into the advantages and disadvantages of a pension transfer as possible before taking any action. We're happy to chat about your situation and answer any questions you may have.

Whatever your financial objectives, Alexander Peter can help you plan to meet these goals.

We will use sophisticated cashflow modelling to project your income and expenses into the future. Of course, to give you a realistic measure, we'll also consider the moving parts such as inflation, taxation, and life-expectancy. This will help you get a more accurate picture of what lies ahead and build a robust financial plan to help you work towards everything you hope to achieve.

And there's always the possibility that you might decide to return to the UK. Again, we can model all of this into the forecast.

Regular cashflow updates will help provide reassurance that you remain on track to achieve your goals.

A pension is a long-term investment. The fund value may fluctuate and can go down, which would have an impact on the level of pension benefits available. Your pension income could also be affected by the interest rates at the time you take your benefits.



## 8. Invest towards long-term goals

With an adequate emergency fund, and your worldwide assets where you want them, you're ready to consider diverting some of your savings into an investment fund.

As a Brit living abroad, you have many investment options. These are broadly broken into two categories: onshore and offshore.

Most expats find offshore investments offer more favourable tax benefits.

### Invest with a long-term view

When you invest, you should always take a long-term approach, and ideally you should expect to tie up your funds for five years or more. The longer you invest, the more compound growth you are likely to enjoy.



### Don't fall foul of complex tax and investment rules

The interaction between your UK and European assets must be carefully considered. Getting the right advice is crucial to ensure you don't fall foul of the more complex investment rules or end up paying unnecessary tax.

#### How we can help

Understanding all of the investment options available can be complex and confusing. If you are unclear about your best course of action, it's important to get independent advice from a qualified adviser.

We specialise in working with Brits living in Europe and have the knowledge and expertise to ensure you save and invest your worldwide assets as tax-efficiently as possible.

We'll help you take advantage of the opportunities and avoid the threats.

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## 9. Protect your estate

As Benjamin Franklin said: "In this world, nothing can be said to be certain, except death and taxes."

You spend your life working to accrue wealth and success. While we all hope to live long enough to spend our money on a comfortable retirement, it's a good idea to ensure that whatever you don't spend will go to your family and loved ones.

Every country has their own unique estate planning rules, so domicile, Inheritance Tax, and succession rules can vary significantly.

This means it's important to plan ahead to make sure your money is protected, ends up in the right hands as quickly as possible, and avoids unnecessary taxes on the way.

### **Planning how your estate will pass to your beneficiaries can help mitigate Inheritance Tax**

Most British nationals are caught in the UK domicile rules, which means your estate will have to go through probate in England, Wales, Scotland, or Northern Ireland, as well as your residency at time of death.

The complexity of more than one country's rules simply adds more time before the estate can be distributed.

### **Protect all your assets with separate wills**

Make sure you have two separate wills – one for the UK and one for where you're living.

Different jurisdictions will have different ways of managing your assets on your death.

Two wills will ensure your loved ones are protected and your assets are distributed according to your wishes.



## How we can help

We can help ensure that your savings and investments are set up properly, helping to reduce the chances of your estate being eroded by taxes.

Fully licensed and regulated in both the UK and Europe, we can help with the decision-making and practicalities of all your estate planning needs, taking all the tax considerations in the UK and your European residency into account.

The right structure can also help make probate smoother and ensure that assets are passed on to your beneficiaries as quickly as possible and with relative ease.

**The Financial Conduct Authority does not regulate estate planning, tax planning or will writing.**



## 10. Find an adviser with local knowledge

We are experts in working with British people living and working in Europe and can tie everything together for you.

Living overseas can make financial planning more complicated, and it's easy to get tied into sneaky commission-based situations when trying to get some support.

With so much to take into consideration, it's important that you work with someone who understands the financial systems in both the UK and Europe. Getting the right advice is crucial to ensure you don't fall foul of the more complex investment rules or end up paying unnecessary tax.

We specialise in working with Brits in Europe and have the knowledge and expertise to ensure your worldwide assets and capital grow as tax-efficiently as possible.

### **We'll help you take advantage of the opportunities and avoid the threats**

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### **How we can help**

**Experienced in helping other expat clients like you, we can help you:**

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- **Set up and start your life abroad**
- **Advise and assist you in transferring assets cross-border**
- **Reassure you that you remain on track to achieve your goals with regular cashflow updates**
- **Ensure you're on track to afford your desired lifestyle in retirement**
- **Protect your wealth for future generations**
- **Settle into your new home overseas, safe in the knowledge that your assets are protected.**

## Get in touch



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