

Here to help

Credit error fixed after call from Which?



John and Rhea Laundon know all about the credit crunch. In 2004 they paid back an MBNA loan, but the bank said it had given the wrong settlement

figure of £6,013 and demanded £1,900 more.

When the couple refused to pay for MBNA's error, the bank eventually instructed debt collectors, so they reported the matter to the Financial Ombudsman Service (FOS). The ombudsman ruled in favour of the couple.

MBNA apologised and promised to restore their credit rating, but it didn't and the Laundons were pursued for the debt, which had grown to more than £2,300.

The debt was cleared in May 2007, but the Laundons' credit file remained damaged, despite repeated attempts by them to get it changed.

Meanwhile, the couple had several credit cards withdrawn and loan applications turned down, and John, a self-employed builder, had his credit cut off during two £50,000 contracts.

We confronted MBNA, which then ensured that their credit rating was wiped clean and sent the Laundons £500.

An MBNA spokesman told us: 'We complied with FOS but, unfortunately, one of the external agencies did not amend its files. This has now been done. I can only apologise for the way this matter has been handled.'

Which? campaigners and the OFT welcome High Court decision

Hope for bank charge battle

BANK CHARGES

Bank customers are closer to being able to reclaim millions of pounds in unfair overdraft charges.

The judge in the controversial High Court battle between the Office of Fair Trading (OFT) and seven banks and one building society has given the OFT the green light to probe the fairness of the charges.

The charges are incurred when you go into the red without permission or breach an agreed overdraft limit, or the bank bounces a payment. The OFT could decide such fees – which can be up to £38 – should be capped.

But there is still some way to go until arguments are resolved. As we went to press, the banks were expected to appeal and both sides were due back in court at the end of May.

Meanwhile, thousands of bank charge cases remain on hold.



TAKE ACTION!
Visit www.which.co.uk/bankcharges if you think that you've been charged unfairly by a bank.



Mr Justice Smith has decided that the OFT can investigate overdraft charges

While the legal wrangling continues, penalty fees will continue to cost consumers up to £111 a second.

Even if there is a speedy resolution, there are fears that banks will try to make up for losses by increasing other fees.

Which? finance campaigner Doug Taylor said: 'The banks should do the right thing: concede defeat, agree with the OFT what constitutes a fair fee and refund customers as soon as possible. If they introduce back-door charges to recoup losses, customers will see this as adding insult to injury.'

Euro closes on the pound

MONEY

The UK pound slumped to an all-time low against the euro in April, when £1 bought just €1.23.

At this rate, going on holiday to eurozone countries cost 17 per cent more than it would have the same time last year, when £1 bought you €1.48.

So while €1,000 of holiday spending would have cost around £676 last year, the cost had jumped to about £810 12 months later. And a €25 three-course meal would cost £3.35 more – enough for

a small carafe of house wine.

Many economists say the pound will stop falling before reaching the €1 mark – but, surprisingly, parity did occur between the US and Canadian dollar in September 2007.

If parity occurred here, €1,000 would cost about £324 more than a year ago.

If you plan to visit a eurozone country, you could gamble the slide will continue and buy currency early – but, if the pound recovers before you go, you'll lose out, of course.

See our holiday money report, p18.

THE POUND'S DEMISE

The number of euros bought with £1 over 12 months to April 08 low point

April 2007	1.48
May	1.47
June	1.47
July	1.48
August	1.48
September	1.48
October	1.43
November	1.44
December	1.41
January 2008	1.34
February	1.33
March	1.30
April	1.27

Based on Bank of England rate on first working day of each month.

£3.5 billion
raised in unauthorised overdraft
charges each year
OFT

13 billion
plastic bags given out by UK
stores every year
DEFRA

25 billion
spent by UK consumers while on
holiday overseas in 2007
MINTEL



Lifetime bags put through their paces

We load up bags for life to test their strength

ENVIRONMENT

Supermarket polythene 'bags for life' cost only a few pence, but will they really last a lifetime or will you have to pick your shopping up off the ground after just a few weeks?

And how easy is it to keep a bag for life handy in your handbag or briefcase?

Our tests of the three cheapest 'bags for life' from Tesco, Sainsbury's and Asda reveal that it may be worth paying more for a sturdier – and more stylish – fabric bag.

We checked strength, whether the supermarket bags break on a walk home and how small they can be folded up.

In terms of standalone strength, all three of the polythene bags did well, taking 15kg – three standard bags of potatoes – without signs of breaking. But when we loaded the bags with 10kg – two bags of potatoes – and walked for 7.5km, some, from the same stores, were very durable while others broke almost immediately.

As quality varies, you could buy several at a time – or you could pay



The Onya bag folds as small as a pepper

more and buy a fabric 'bag for life'.

We put three branded bags – a Turtle organic string bag, an Original Onya Bag and a Reisen-thel Mini Max Shopper bag – through tests and found them extremely strong and durable. They passed the walking test with ease and were hard to puncture, unlike the polythene bags. The string bag began to break with 42kg – more than eight bags of potatoes – but the other two were going strong at 50kg.

The Onya bag was also the most compact

BAGS OF ROOM

BAG	FULL SIZE (CM)	SIZE FOLDED	COST
Asda	41x47	12x6	5p
Sainsbury's	41x48	12x6	10p
Tesco	44x44	12x6	10p
Onya	35x38	9x6	£6.50
Reisen-thel	38x38	14x7	£5.99
Turtle string	40x30	12x12	£4.99

when folded and, like the Reisen-thel, fits into its own pouch – but supermarket bags can be pretty small if you fold them up five times.

Our tester said: 'Supermarket bags for life are better than standard bags, but there was little, if anything, between the different versions. The other bags were a lot more durable, and the Onya and Reisen-thel took so much weight a shopper wouldn't be able to pick them up off the floor.'

TAKE ACTION!
■ Can't find the branded bags?
Visit www.onya-bags.co.uk,
www.reisen-thel.com or
www.turtlebags.co.uk for stockists.

Who's up for a Which? Award?

WHICH?

Thanks to the thousands of you who've helped shape this year's Which? Awards by nominating your favourite restaurant.

As we went to press, more than 8,000 Which? members and members of the public had voted for the *Good Food Guide* Restaurant of the Year – almost double the number for last year's inaugural award.

The regional and overall winner will be announced alongside winners in other categories – such as best airline, best carmaker, best credit card provider and best high street retailer – on 17 June.

The cream of British industry and representatives of the government, trade bodies and regulators will gather at the British Museum – with host Dermot Murnaghan and key speaker Shadow Chancellor George Osborne – to find out who has come top in this year's highly competitive categories.

Last year's inaugural event was a huge success. Winners – including Toyota, Panasonic and Miele – all used the coveted Which? Awards 2007 logo to promote their products.

Which? Chief Executive Peter Vicary-Smith said: 'To be nomi-



nated for these awards is a fantastic achievement. Companies can't put themselves forward – reflecting our commitment to independence.

'These awards recognise the best of the best – those companies that deserve recognition for outstanding achievement.'

Look out for our full report on the Which? Awards next month.

THE SHORTLIST 2008

Best Airline

Air New Zealand, Jet Airways, Singapore Airlines, Palmar

Best Audio Visual Brand

Canon, Panasonic, Sony

Best Broadband Provider

Utility Warehouse, Waitrose, Zen Internet

Best Carmaker

Audi, BMW, Honda, Lexus, Mazda, Toyota

Best Credit Card Provider

John Lewis Partnership, Marks & Spencer Money, Nationwide Building Society

Best Current Account Provider

Cahoot, Nationwide Building Society, Smile

Best Domestic Appliance Brand

Bosch, Electrolux Group, Miele

Best High Street Retailer

John Lewis, Waitrose, Waterstone's

Best Online Retailer

abebooks.com, amazon.co.uk, play.com

Best Value for Money Retailer

Aldi, Iceland, Lidl