

roundup

STORE CARDS

The Competition Commission has said that store card providers which charge 25 per cent or more in interest will soon have to give 'wealth warnings' about their charges and admit that credit may be cheaper elsewhere. But we're still worried that the cards are often sold by shop staff with little financial understanding.

HEALTHY LOGOS

Asda, Sainsbury's and Waitrose will adopt the Food Standards Agency's labelling scheme which will highlight how much fat, salt and sugar is in foods. We're challenging other supermarkets to ditch their own healthy-labelling designs and use the same scheme to make life simpler.

PENSION 'A' DAY

Rules that limited how much you could pay in and take out of your pension are scrapped in favour of a more flexible system on 'A' day, 6 April. The changes come as our research reveals that only one in nine would trust the financial services industry to look after their pension. Read 'What a difference "A" Day makes', March 2006, p21 to see how the changes will affect you.

TV FEE RISE

This month the colour TV licence fee rises £5 to £131.50.



Jersey-based online retailers lose licence

Amazon, Asda and Tesco will have to stop shipping cheap CDs and DVDs from Jersey next year.

The island's officials say that in 12 months UK-based firms won't have a licence to operate.

The stores have mail-order operations in Jersey, which send out VAT-free CDs and DVDs to UK shoppers.

As Jersey is outside the EU, goods under £18 can be imported into the UK from outside the EU without incurring VAT. But the Jersey government says it doesn't want UK

businesses using the island as a warehouse, since the associated jobs provide the economy with only low-value work.

Businesses with headquarters in Jersey, such as Play.com, will be able to continue to sell DVDs and CDs to UK consumers.

The Jersey government said that sales by UK-based firms had created a wave of negative publicity about Jersey as a 'tax-dodge' haven. Asda and Tesco said they'd look for alternative ways of supplying cheap deals to customers.

Recycling delayed

The government still doesn't know when a scheme allowing householders to recycle old electronic and electrical goods will be in force.

EU ministers agreed the Waste Electronic and Electrical Equipment (WEEE) directive in 2003. It was drawn up to deal with the million tonnes of white and electronic goods dumped in landfill each year. But it's been beset by delays and the Department for Trade and Industry still has no date for implementation.

Under WEEE, people will be able to return old goods at designated facilities, paid for by manufacturers. Retailers will have to take back old goods – in stores or by joining a recycling scheme – when shoppers buy new products.

We contacted two of the largest electrical retailers, Argos and Comet, to see what schemes they currently offer customers.

Argos said that it will collect cookers, washing machines and other large appliances, except refrigeration products, when customers order a new kitchen appliance. Comet has also been

running a take-back scheme for large white appliances since the late 1990s.

It told us that in 2004 more than 4,500 fridges were refurbished by Comet and more than 105,000 fridges were recycled.



Old electronics will be recycled under WEEE

More NHS dentists set to go private

More patients could be left without NHS dental care from this month as hundreds of dentists say they'll opt for private practice.

The threatened walk-out has been sparked by the government's shake-

up of NHS dentistry in England and Wales, which sees a new dentist contract and three-tier price system.

The lowest costs £15.50 in England (£12 in Wales) and covers simple procedures such as

check-ups and X-rays. NHS fillings come under the next tier and cost £42.40 (£39 in Wales). Complex treatments such as crowns will cost £189 (£177 in Wales). Patients will pay only one fee, so a check-up plus filling will still be £42.40.

Under the contract dentists are paid a lump sum for carrying out a set amount of work, rather than billing the NHS for each treatment – a situation which led to fears that dentists were over-treating

patients. But there are concerns that the new system may result in dentists not doing necessary treatment.

Eddie Crouch, Secretary for Birmingham Local Dental Committee, said: 'A third of dentists in our area have said they'll leave the NHS – that's over 100 dentists.'

ACTION POINT

Ask your primary care trust (the number is in the phone book) for details of NHS dentists.



A shortage of NHS dentists has seen people queuing to sign up

Rip-off loan warning

Which? is urging anyone who took out a loan with money lenders London North Securities or its sister company Broadwick Financial Services to check their contracts immediately.

The warning follows concerns that both lenders have become notorious for applying sky-high interest to small upfront fees, such as legal fees, and to arrears, leaving customers with thousands of pounds of unexpected debt. This is usually discovered only when people come to pay off their loan.

Last month, we reported the case of Ruth Le Feaux, who was told that she would have to pay London North a further £20,750 on top of the £29,000 she'd already paid on her £11,500 mortgage ('Fight back against unfair loan deals', p5). If, like Ruth, you find that your redemption figure is higher than expected, seek help and consider a legal challenge.

Simon Abbott, a solicitor specialising in consumer finance litigation, who has successfully challenged agreements with London North, said: 'People don't realise that interest is building up on

what can start off as a small charge for something like legal fees. It can ultimately dwarf the amount originally borrowed. But many agreements can be challenged as long as you don't leave it too late.'

The Office of Fair Trading is considering London North Securities' application for a consumer credit licence. We've handed over details of the cases we've uncovered so far.

If you've had a bad experience with this lender, please write to Claire Hill at the address on p21 or email whichactionteams@which.co.uk.

To help customers fight back, we've put together a factsheet, with details of how to get help. You can get this at www.which.co.uk/actionteams or by calling the number on p21 and quoting LNS06.

Simon Abbott specialises in these cases and has successfully challenged London North



[fighting your corner]

Which?'s Liz Edwards takes on big companies for you

In this brave new era when you get nowhere without a Pin number, I struggle to keep track of all my Pins and passwords – it seems there's a limit to how many times I can use my cat's name before IT take against it.

So I felt sympathy when I heard from Roger Kennedy, from Kent. Roger, who is 70 years old, lost a staggering £28,000 when a thief stole his wallet and guessed

his Pin – the year of his birth – for his four bank cards. Roger's driving licence in his wallet showed his date of birth.

Roger's story ended happily after *Which?* got involved but is salutary because of the vastly different treatment he received from the banks.

The thief struck while Roger was in Spain last spring. Roger had plenty

of cash with him and was staying at his own property, so didn't notice the wallet had gone for two weeks. Letters from banks querying the spending spree went to his UK address.

As soon as he realised his wallet was missing, Roger's daughter, in the UK, stopped his cards. But £28,370 had gone.

The banks all made

reassuring noises about refunds, but while Nationwide refunded the £6,187 spent on its two cards, and NatWest refunded £3,878, Halifax refused to refund the missing £18,305. Roger was stunned that Halifax had allowed his account, with its £1,700 overdraft limit, to go more than £10,000 overdrawn over five days.

Halifax said he could have a free overdraft while it investigated. But he later found it had charged him all along.

When we asked Halifax to justify its decision, it admitted

that it had handled the case badly. It refunded Roger the £18,305, along with the overdraft charges, plus £250 as good will.

These banks have all signed up to the Banking Code, which governs just this sort of case. The code's governing body advises banks to tell customers not to use their birthday as a Pin. But it says that if a bank hasn't issued such a warning, which Halifax had not done, and the customer's acted responsibly, they're due a refund.

Roger finally received an £18,000 refund from Halifax



Critical illness claims rejected

New figures showing the high rejection rates of claims on critical illness policies highlight how important it is for policy applicants to fully declare existing medical conditions.

Critical illness insurance is designed to pay out a lump sum if you get a serious illness, such as a heart attack. But figures from large insurers show that on average one in five claims made in 2005 were turned down because the policyholder didn't tell the insurer about a past health problem, or because the illness being claimed for wasn't covered by the tight policy definitions.

Of the 14 big insurers we asked about last year's rejection rates, only four – Bupa, Friends

On average one in five claims in 2005 were turned down

Provident, Scottish Equitable and Standard Life – were willing or able to give us complete figures for 2005. These showed that on average 21 per cent of claims made were rejected.

These numbers compound our concerns about critical illness insurance. Simply forgetting to declare a visit to the doctor about a headache a few years earlier, for example, could invalidate a subsequent claim if the insurer decides it's relevant. So it's important to declare everything, even if it seems minor or you've recovered.

Critical illness insurance is a luxury product and should be bought in addition to, not instead of, income protection insurance, which pays your salary if you are unable to work due to illness, accident or injury.

If you do buy it, make sure you fully understand what is and isn't covered. Most critical illness policies cover only serious illness, not accident or injury, and some conditions that most people would consider serious, such as severe back problems, are often excluded.



Forgetting to declare a visit to the doctor could invalidate a claim



A screening programme for people in their 60s begins this month

Bowel cancer screening

The first phase of the national bowel cancer screening programme begins this month but the launch will be low-key because the government needs to sort out its finances.

The plan to send home testing kits to everyone in their 60s every two years was announced by the government in August last year. At the time it said that the scheme, which will cost £37.5 million, would be launched in phases from this April. But in March it could not yet tell us which areas of the UK would be first to receive the kits.

The Department of Health told us that details of the roll out are yet to be finalised because departmental

budgets for the coming financial year are still being worked on.

Bowel Cancer UK, the charity which represents the interests of people with this cancer, is concerned by the government's apparent lack of commitment to screening for the disease which claims 50 lives a day.

It told us: 'For every month that the screening programme is delayed more lives are put in jeopardy.'

People who receive a kit will send a stool sample to a lab where it will be checked for blood – one of the early symptoms. Visit www.cancer-screening.nhs.uk/bowel for details.

Which? challenges big banks

We've issued a challenge to the major banks with a campaign to get them to cut sky-high overdraft default charges.

We think the fees they take when customers go over their limit, and for handling payments due from such accounts, are too

high. Halifax charges £39 just for refusing to pay a direct debit.

Which? is arming consumers with advice on how to force banks to back down over the fees. Our guide will appear at www.which.co.uk/campaigns.

Last July, we told how the industry was raking

in £3 billion a year from charges for unauthorised overdrafts ('Give us back our money', p10).

The Office of Fair Trading has called certain credit card firms' default charges 'excessive'. We think the time's also up for huge overdraft fees.

Overdraft fees from major banks

BANK

	Charges		
	Initial excess overdraft penalty (£)	Extra fee per item paid (£)	Extra fee per item bounced (£)
Barclays	30	30	35
Halifax/Bank of Scotland	28	30	39
HSBC	0	25	0-30
Lloyds TSB	30	30	35
NatWest/Royal Bank of Scotland	28	30	38

Figures apply to mainstream accounts; different fees may apply to other accounts. Some banks cap the number of charges, or write them off in some instances. Figures correct at 9 March 2006

Staywarm hikes fuel prices



Vera's 'fixed-rate' energy tariff went up

Powergen's Staywarm energy tariff is designed to give pensioners peace of mind because it charges a fixed monthly fee no matter

year contract came up for renewal. Energy price rises aren't uncommon right now. But the Staywarm rise is higher than British Gas' headline-

'With all the prices rises there is just nowhere else to go'

Vera Hutchinson

how much energy you use. But it gave Vera Hutchinson a shock when it clobbered her with a 27 per cent fuel price rise as her one

grabbing electricity and gas price hike of 22 per cent, effective from last month. EDF, Npower, Scottish Power and Scottish & Southern

Energy have also announced or implemented price rises this year.

Vera had signed up to receive gas and electricity from Staywarm as it offered the fixed price. The scheme is aimed at the over 60s who pay an agreed annual amount in monthly instalments.

At the end of last October, Vera's monthly bills at her Newcastle

upon Tyne home shot up from just over £58 to more than £74.

Vera feels trapped. She said: 'Staywarm is supposed to help pensioners. We know the fuel charges are rising but this seems well over the top. But what do you do? With all the price rises at the moment there's just nowhere to go to.'

Reader Peter Wooding, from

Cambridge, complained to Staywarm when his bill also went up by 'an enormous amount'.

He said: 'I rang Staywarm because it seemed unreasonable and staff said we shouldn't even be on Staywarm because we were low energy users. It worked out that we were using £41 of fuel a month and paying £73 for it. Staff promised to switch us to another tariff but that was last November. They have promised to back date it to then.'

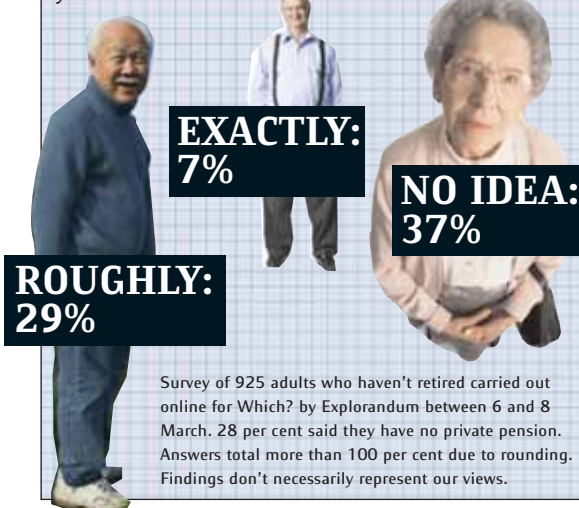
Powergen said that Vera's price increase was the result of rising wholesale energy costs, and that it had to pass on a proportion of these costs to customers.

ACTION POINT

Make sure you're not paying more than you need to for your gas and electricity. Visit our site www.switchwithwhich.co.uk for help with switching your energy supplier.

THE PUBLIC'S VIEW

The pension rules change from 6 April 2006 and you may want to pay in more (see 'Pension "A" day', p6). We asked: Thinking about your own private pension arrangements, do you know how much money you'll have to live on when you retire?



And finally... Birds have feelings, too

There are ways to drop hints that someone might want to cut down on the lard. Calling them a 'fat ball' isn't generally the preferred approach. We think the bird feeder maker meant to say: 'For feeding wild birds', but it's too late for this bluetit, who tells us he's now sacked his agent.



Send your examples of daft or misleading products or promotions to Liz Edwards, PO Box 44, Hertford X, SG14 1SH

contact inside story

If there's something you'd like us to investigate, leave a message on the Inside Story Hotline on **0800 252088** (calls are

free) or email insidestory@which.co.uk. We're sorry but we can't reply to calls or emails individually.