

Investors believed money was in a safe haven

'Cash fund' confusion

People who faced losing a large chunk of their life savings after the value of a pension fund dropped have had their investment restored.

Thousands of people put money into Standard Life's Pension Sterling Fund believing it was a low-risk cash fund. In fact it was invested in asset-backed securities, a form of investment with a higher risk than many of them believed.

This emerged after the £2.4bn fund lost 4.8% of its value in a single day.

Many had moved their pension savings into the fund on a short-term basis, prior to buying a retirement annuity, believing it was a safe haven. A drop in value could have meant they would have a lower pension income.

Literature from Standard Life describing the fund said that it was wholly invested in cash. Standard Life admitted that some of the literature supporting the fund 'fell short of our own high standards'.

Standard Life at first refused to consider compensation for anyone except recent investors.

However in February, it announced a change of heart and boosted the fund value by about £100m to restore all customers' losses.

DAVID FACED LOSS OF £8,000

David Tempest 68, *retired*

David stood to lose around £8,000 after the fund lost value.

He moved to Standard Life's Pension Sterling Fund in November 2008.

In January 2009, he received a letter from the company saying 'the price of the units you hold...has fallen by approximately 5%'.

David was astonished as he had expressly asked for his money to go into a safe deposit cash fund.

He wrote to the firm demanding restitution. The firm has agreed to restore his savings to their value at 13 January, 2009, this still leaves a smaller loss incurred between November and 13 January, which David wants Standard Life to make good.

He has written to them again, requesting this, but he has yet to receive a definitive response from the company.



Is it worth it? Halifax Reward current account

Halifax has replaced its previous current accounts with Reward, which pays customers who are in credit £5 a month rather than interest. You get the £5 even if you dip into the red as long as you pay in at least £1,000 a month. You're charged a daily fee when you're overdrawn, ranging from £1 a day for authorised overdrafts under £2,500 to £5 a day for unauthorised overdrafts.



VERDICT Only go for this account if you won't be in the red for more than a day or two a month. If you run an overdraft, the daily fees make the account expensive. A £1 daily fee on a £500 month overdraft is equivalent to 73% APR, much higher than other borrowing. Even taking account of the £5 a month credit, a £500 authorised overdraft for two weeks a month for two weeks a month costs £108 – far more than Best Buys.

Infrequent flyers need to top up airmiles or lose them

If you're a NatWest credit card holder who used to collect airmiles, you need to top them up or add to them quickly or you could lose them.

Tesco, Shell or Homebase, or buying online from eBay or John Lewis.

The long-established scheme has changed its rules, so that accumulated airmiles become invalid if you haven't added any new ones in the last two years. You have until July to top up by switching to Lloyds TSB, shopping at



Sign up for Which? Money email at www.which.co.uk/moneyemail to get the latest news and expert money-saving tips every week



Cash Isas that accept transfers

If you haven't used up your £3,600 tax-free cash Isa allowance, try to do

so before 6 April.

We've included only those Isas that allow transfers into the account. Some of our Best Buys include bonuses, but only if the bonus is payable for at least 12 months. When the bonus period ends,

remember to switch if the account is no longer competitive.

Our Best Buys this month pay at least 2.85% interest. The M&S Money Advantage account pays the top rate at 3.1%, which includes a 1% bonus payable to 21 April 2010.

At present, rates are volatile, so visit www.which.co.uk/isas for weekly Best Buy updates.

Earn up to £540 more by saving £18,000 in a Best Buy cash Isa for a year

If you had £18,000 in Marks & Spencer Money's Best Buy Advantage Isa, you would earn £540 more than if the same amount of money was in an Alliance & Leicester Don't Buy Branch account, at current rates.



CASH ISAs TRANSFERS IN	ACCESS	AER (%)			TERMS	CONSISTENCY
	TYPE OF A/C	UP TO £2,999	£3,000-£5,999	18,000+	INITIAL DEPOSIT (£)	BEST BUY FOR 12 MONTHS
BEST BUYS						
MARKS & SPENCER MONEY Advantage	P/T	3.10 ^a	3.10 ^a	3.10 ^a	10	
CHARITY BANK Cash Isa	I/T	3.00	3.00	3.00	100	
DUNFERMLINE BS 90 Day ^b	B/P/T	3.00	3.00	3.00	1	
STANDARD LIFE BANK Direct Access ^b	T	3.00	3.00	3.00	1	
HOLMESDALE BS 30 Day	B/P	1.75	3.00	3.00	500	
CHELSEA BS Postal 30	P	2.60	2.60	3.00	1	
CHORLEY BS Red Rose	B/P	2.70	2.70	2.90	25	
EARL SHILTON BS 90 Day	B/P	2.85	2.85	2.85	50	
AVERAGE RATE		1.73	1.79	1.81		
DON'T BUYS						
ALLIANCE & LEICESTER Branch	B	0.10	0.10	0.10	1	n/a
HALIFAX/BANK OF SCOTLAND Isa Saver	B/I/P/T	0.10	0.10	0.15	1	n/a

Access This shows the type of account: B=branch; I=internet; P=postal; T=telephone. Rates highlighted in red show the categories in which the accounts are Best Buys. Rates highlighted in dark grey show the categories in which accounts are Don't Buys. ^a Includes a 1% bonus payable to 21 April 2010 ^b Monthly interest option also available



Child trust funds

A cash child trust fund (CTF) acts like a savings account, except the interest is tax-free and the child can't get at their money until they're 18.

Children born on or after 1 September 2002 are given a voucher worth at least £250 for their parents to invest in a CTF. Our Best Buy cash account from Chorley BS currently pays 3.6%.



The Which? website now has a video giving advice on investing in child trust funds; go to www.which.co.uk/childtrustfunds to watch it.

CASH CHILD TRUST FUNDS	ACCESS	AER (%)			CONDITIONS	
	TYPE OF ACCOUNT	£250	£750	£1,450	MINIMUM ADDITION (£)	TRANSFERS IN
BEST BUYS						
CHORLEY BS	B/P	3.60	3.60	3.60	None	✓
YORKSHIRE BS	B/P	3.50 ^a	3.50 ^a	3.50 ^a	None	✓
SKIPTON BS	B/P	3.45	3.45	3.45	10	✓
EARL SHILTON BS	B/P/T	3.20 ^b	3.20 ^b	3.20 ^b	10	✓
SHEPshed BS	B/P	3.00	3.00	3.00	1	✓
AVERAGE RATE		2.92	2.92	2.92		
DON'T BUYS						
MONMOUTHSHIRE BS	B/P/I	1.50	1.50	1.50	1	✓

Access This shows the type of account: B=branch; I=internet; P=postal; T=telephone. Rates highlighted in red show the categories in which the accounts are Best Buys. Rates highlighted in dark grey show the categories in which accounts are Don't Buys. ^a Rate includes 0.7% bonus payable for 12 months ^b 0.5% bonus if £240 paid in each year for two years

Earn up to £5,926 more over 18 years by picking a Best Buy CTF

If you invested £1,450 in the first year and £1,200 (£100 a month) for the following 17 years in the Chorley BS account, you'd earn around £5,926 more than you would in a Don't Buy account.



Which.co.uk Money

This is just a sample of our online reviews of financial products, including bank accounts, child trust funds, mortgages, personal loans, credit cards, cash Isas and insurance. Our data is updated every week – for the latest rates, go to www.which.co.uk/money.



Credit cards for borrowing

Our Best Buys are selected for three main types of borrower. The occasional payer pays off one in every four bills. The never payer never or rarely pays bills in full. Holiday payers borrow for big purchases and pay off the debt over a year.

This month, the Barclaycard Simplicity Visa (typical APR 6.8%), Halifax Easy Rate

MasterCard (typical APR 8.9%), Co-operative Bank Platinum Fixed Rate Visa (typical APR 9.9%) and Barclaycard OnePulse Credit Card (typical APR 12.4%) are Best Buys for all three types of borrower.

Which? is the only organisation that takes into account the way card providers charge interest on top of the interest rate to find the true cost of borrowing.

HOW WE RATE CREDIT CARD CUSTOMER SATISFACTION

■ In July 2008, we surveyed 4,419 Which? online panel members about their credit card providers. The satisfaction rating shown in the tables below combines overall member satisfaction with the likelihood of them recommending the lender.

CREDIT CARDS FOR BORROWING	APR	TYPE OF BORROWER			SATISFACTION
	(%)	OCCASIONAL PAYER	NEVER PAYER	HOLIDAY PAYER	% (JULY 08)
BEST BUYS					
BARCLAYCARD Simplicity Visa	6.8	✓	✓	✓	61
HALIFAX Easy Rate MasterCard	8.9	✓	✓	✓	61
THE CO-OPERATIVE BANK Platinum Fixed Rate Visa ^{a,b}	9.9	✓	✓	✓	80
BARCLAYCARD OnePulse Credit Card with Cashback ^c	12.4	✓	✓	✓	61
AVERAGE RATE	16.7				
WIDELY HELD CARD					
NATWEST Classic Card	16.9				65
TESCO PERSONAL FINANCE Clubcard MasterCard	16.9				77

For all cards in the table exact rate depends on your credit score. ^a To apply you must be aged 25 or over ^b Rate is fixed for five years ^c Calculation includes cashback



Credit cards for new purchases

These cards charge 0% interest on new purchases for a limited introductory period, so they could be useful if you're planning to make a big purchase.

The cards below offer the longest 0% deals on purchases we could find as we went to press.

The Best Buy Marks & Spencer Money MasterCard offers a 0% period of 10 months, while the Harley-Davidson Platinum MasterCard and the Halifax/Bank

of Scotland All in One MasterCard offer 0% for nine months.

Make sure you repay all the money you've borrowed or move the remaining balance by the end of the promotional period, as all these Best Buy cards – except the Harley-Davidson Platinum MasterCard – revert to a standard APR of 15.9%.

Our money experts regularly analyse hundreds of credit cards – visit www.which.co.uk/creditcards for weekly Best Buy updates.

CREDIT CARDS 0% FOR PURCHASES	APR	0% PERIOD	SATISFACTION
	(%)	PURCHASE (MONTHS)	% (JULY 08)
BEST BUYS			
MARKS & SPENCER MONEY MasterCard	15.9	10	82
HARLEY-DAVIDSON Platinum (Affinity) MasterCard ^a	12.9	9	Sample size too small
HALIFAX/BANK OF SCOTLAND All in One MasterCard	15.9	9	61
AVERAGE RATE	16.7		70
WIDELY HELD CARD			
LLOYDS TSB Platinum MasterCard	15.9	3	60
TESCO PERSONAL FINANCE Clubcard MasterCard	16.9	6	77

For all cards in the table exact rate depends on your credit score.

^a Also available as a Chrome (Affinity) MasterCard 15.9% APR

Contacts

SAVINGS ACCOUNTS

Charity Bank
01732 774040
www.charitybank.org

Chelsea BS
0800 169 9911
www.thechelsea.co.uk

Chorley BS
01257 279373
www.chorleybs.co.uk

Dunfermline BS
0845 733 6688
www.dunfermline.com

Earl Shilton BS
0845 051 4422
www.esbs.co.uk

Holmesdale BS
01737 245716
www.holmesdale.org.uk

CREDIT CARDS

Barclaycard
0800 731 2000
www.barclaycard.co.uk

**Halifax/
Bank of Scotland**
0845 726 3646
www.halifax.co.uk

Harley-Davidson
0800 515166
www.chrome-card.co.uk

Marks & Spencer Money
0808 005 5555
www.marksandspencer.com

Shepshed BS
01509 822000
www.theshepshed.co.uk

Skipton BS
0845 717 1777
www.skipton.co.uk

Standard Life Bank
0845 755 5657
www.standardlife.co.uk

Yorkshire BS
0845 120 0100
www.ybs.co.uk

Marks & Spencer Money
0808 001 1111
www.marksandspencer.com

The Co-operative Bank
0845 600 6000
www.co-operative.co.uk