Money monitor

Best Buys plus what's in the news

Consumers take action against mis-selling

PPI complaints at all-time high

The number of consumer complaints about mis-sold payment protection insurance (PPI) has reached an all-time high, according to the Financial Ombudsman Service (FOS).

'We have seen a significant number of complaints from consumers who say they did not ask for a payment protection policy or did not know they had one. Other consumers complain that they were told they had to take out payment protection insurance, even though they did not want it.'

The FOS currently handles 500 PPI complaints a week, around 45% of which are upheld. The Ombudsman is so concerned about widespread mis-selling that it has asked the Financial Services Authority (FSA) to consider action.

For more details, including advice on what to do if you think you may have been mis-sold PPI, see **www.which.co.uk/ppi**.

PROBLEM WITH PPI

David Freer *47, firefighter*

David Freer's late father, Alan, had a Bank of Scotland PPI policy, including life insurance, for a £6,000 loan. Insurance cost his father more than £2,000.

When the family came to claim, David was told that due to his father's age (76), he wasn't eligible – the upper age limit was 70, and David's father was 74 years old when he took out the loan. David was offered a refund of premiums, but felt the policy should pay out, and complained to the FOS. It called for the debt to be written off, extra premiums returned and £100 paid in compensation.

As we went to press, an HBOS spokesman told us: 'We will adhere to the Ombudsman's decision'.

Quicker Isa transfers

Switching Isa accounts should become a faster process

Cash Isa providers have set out guidelines to speed up transfers if you switch to a new account. Which? members have previously complained about long delays (*Which?* October 2008, p31).

The British Bankers' Association, the Building Societies Association and the Tax Incentivised Savings Association are introducing a model transfer form to cut down on paperwork, and have suggested that transfers should take no longer than 23 working days. Interest should be paid by a customer's 'old' provider until the day of transfer, and by the new provider immediately after that.

However, the guidelines are only voluntary and make no promise to introduce electronic transfer of funds in place of the current exchange of cheques.

Any improvement is to be welcomed but, ultimately, regulation may be needed.

Is it worth it?

Yorkshire Bank Signature Current Account

Signature is a new account aimed at 'busy professionals'. Customers use it as their main current account, with any surplus funds automatically transferred into a linked Signature Savings Account, paying 5.41% interest before tax. There is a fee of £10 a month, but in return you get benefits such as travel insurance, breakdown cover, mobile phone/gadget insurance and identity theft alert.

VERDICT Although it pays a reasonable 2.5% on credit balances, 5.41% on savings is less impressive – a Best Buy savings account offers 6.55%. The extras cost £120 a year, yet you can buy equivalent travel insurance for about half that, and the breakdown package excludes additional charges.

MORE ON MONEY

Which? Money

The November issue of *Which? Money* reveals 103 Best Buys, including savings accounts, cash Isas, credit cards and loans. Try two issues for £2 at www.which.co.uk/moneytrial or call **01992 822800**.

If you've got ideas or views on anything financial, we'd love to hear from you. Please get in touch with us at moneynews@which.co.uk

Savings accounts

This time last year, the gap between the best and the worst savings account was 5.9%. Now, it's 6.3%, so it's even more important to check the rates you are getting and switch if necessary.

If you had £10,000 in our Best Buy Birmingham Midshires account, you would earn £652 interest a year. By comparison, saving your money in a poor-value account such as Derbyshire Building Society's Cash Account, would earn you just £25 interest – leaving you £627 a year worse off.

The average rate on balances of £10,000 as we went to press was 3.94%.

Earn up to £313 more a year

which? BEST BUY

- With £5,000 in Birmingham Midshires' Best Buy, you earn £313 more than in a Don't Buy account from Derbyshire BS.
- Bradford & Bingley savings products are now run by Santander, which also owns Abbey and Alliance & Leicester.

SAVINGS ACCOUNTS	ACCESS	AER (%)				CONDITIONS		CONSISTENCY
	TYPE OF A/C	£100	£1,000	£5,000	£10,000	INITIAL DEPOSIT (£)	NOTICE (DAYS)	BEST BUY FOR SIX MONTHS
ANGLO IRISH BANK 7 Day Notice 2	P/T	6.55	6.55	6.55	6.55	1	7	✓
BIRMINGHAM MIDSHIRES e-Saver 2	I	6.52	6.52	6.52	6.52	1		
BRADFORD & BINGLEY Internet Saver 3[a]	I	6.51	6.51	6.51	6.51	1		✓
CHELSEA BS 90 Day Issue 2[a]	P	n/a	6.50	6.50	6.50	250	90	
THE AA Internet Saver	I	6.46	6.46	6.46	6.46	1		
INTELLIGENT FINANCE I-Saver	I	6.40	6.40	6.40	6.40	1		
AVERAGE RATE	n/a	3.32	3.62	3.81	3.94	n/a	n/a	n/a
DON'T BUYS								
FIRST DIRECT Everyday Savings	T	0.10	1.85	2.00	2.00	1	n/a	n/a
DERBYSHIRE BS Cash Account	P	0.25	0.25	0.25	0.25	1	n/a	n/a

Rates highlighted in red show the categories in which the accounts are Best Buys Rates highlighted in dark grey show the categories in which the accounts are Don't Buys.
Access This shows the type of account: **B**=branch; **I**=internet; **P**=postal; **T**=telephone **a** Monthly interest option also available

Credit cards: purchases made abroad

The Nationwide Gold and Thomas Cook Visa cards, and the Post Office Platinum and Abbey Zero MasterCards do not charge a foreign exchange loading fee, wherever you use them in the world to make purchases. The Saga Platinum Visa is free of this fee if you're in the EU, but charges 1% elsewhere. All other UK credit cards charge 2.5% to 2.99% for purchases abroad.

None of these cards are a Best Buy for borrowing, though, so pay off your bill as soon as possible. All these cards are fee-free only on purchases – they charge for any cash withdrawals made, so try to avoid those.

PURCHASES MADE ABROAD	APR	FOREIGN EXCHANGE LOADING FEE	
	(%)	EU (%)	WORLDWIDE (%)
POST OFFICE Platinum MasterCard[a]	15.9	0	0
NATIONWIDE BS Gold Visa[a]	15.9	0	0
THOMAS COOK Visa	17.9[b]	0	0
ABBEY Zero MasterCard	18.9	0	0
SAGA Platinum Visa	15.9	0	1
AVERAGE RATE	16.6	2.5 to 2.99%	2.5 to 2.99%
WIDELY HELD CARDS			
NATWEST Classic MasterCard/Visa	15.9	2.75	2.75
TESCO PERSONAL FINANCE Clubcard MasterCard	16.9	2.75	2.75

Rates highlighted in red show the categories in which the cards are Best Buys **a** Available also as a standard classic card (17.9% APR) **b** Rate depends on your credit score

Contacts

The AA www.theaa.com
Abbey www.abbey.com
Anglo Irish Bank www.angloirishbank.co.uk
Barclaycard www.barclaycard.co.uk
Birmingham Midshires www.askbm.co.uk
Bradford & Bingley www.bradfordandbingley.co.uk
Chelsea BS www.thechelsea.co.uk
Earl Shilton BS www.esbs.co.uk
Intelligent Finance www.if.com
Kent Reliance BS www.krbs.co.uk
Nationwide BS www.nationwide.co.uk
Post Office www.postoffice.co.uk
Principality BS www.principality.co.uk
Saga www.saga.co.uk
Thomas Cook www.thomascook.com
Tesco Personal Finance www.tescofinance.com
Virgin Money www.virginmoney.com
Yorkshire BS www.ybs.co.uk

OUR RESEARCH
We analyse the whole market to bring you our Best Buys. With savings and loans, we recommend only companies that subscribe to the Banking Code, so you have protection if anything goes wrong. Our Best Buys are totally independent – so they're not swayed by any industry influence.

PHOTOGRAPHY SWNS, ALAMY, ILLUSTRATION CYRUS DEBOO

Cash Isas

It always makes sense to use up your tax-free allowance (£3,600 a year) in a Best Buy Isa before putting money into a taxable savings account. We've included only Isas that allow transfers into the account.

There are five Best Buys this month paying at least 5.65% interest. Abbey's Direct Issue 2 pays the top rate – 6%. However, after 13 months this reverts to a lower rate of 5%.

If you had £18,000 in this account you would earn £466 more than you would earn in a Don't Buy Isa offered by Halifax/Bank of Scotland.

The average interest rate paid on £18,000 at time of going to press was 5.07%.

Which? BEST BUY

Save up to £104 more a year

- If you had £3,600 in Abbey's Best Buy Isa, you would earn £104 more than if the same amount was in a Halifax/Bank of Scotland Don't Buy account.
- If you switched £18,000 to a Which? Best Buy you could be £466 better off a year.

CASH ISAs: TRANSFERS IN	ACCESS	AER (%)			TERMS	CONSISTENCY
	TYPE OF A/C	UP TO £2,999	£3,000 TO £5,999	£18,000+	INITIAL DEPOSIT (£)	BEST BUY FOR SIX MONTHS
ABBEY Direct Issue 2	I/P/T	6.00[a]	6.00[a]	6.00[a]	1	
PRINCIPALITY BS e-Isa	I	6.00	6.00	6.00	1	✓
KENT RELIANCE BS Direct	P	5.76	5.76	5.76	1	✓
YORKSHIRE BS e-Isa	I	5.55	5.55	5.65	1,000	✓
EARL SHILTON BS e-Isa[b]	I	5.55	5.55	5.65	10	✓
AVERAGE RATE	n/a	4.93	5.01	5.07	n/a	n/a
DON'T BUYS						
HALIFAX/BANK OF SCOTLAND Isa Saver	B/I/P/T	3.06	3.11	3.41	1	n/a
ALLIANCE & LEICESTER	B	3.40	3.40	4.00	1	n/a

Rates highlighted in red show the categories in which the accounts are Best Buys Rates highlighted in dark grey show the categories in which the accounts are Don't Buys.
Access This shows the type of account: **B**=branch; **I**=internet; **P**=postal; **T**=telephone **a** After 13 months rates revert to 5%, depending on account balance **b** A 90-day notice account

Credit cards: 0% balance transfer with fee

If you are looking for a card with a longer 0% period on balance transfers, the following cards are the best we have found. But be careful – they all charge an uncapped transfer fee of 2% to 3%.

Virgin Money MasterCard offers the longest 0% period of 15 months, but charges an uncapped fee of 2.98% of the amount transferred to the card.

Tesco Personal Finance Bonus credit card and Barclaycard OnePulse with BT Visa both offer a good 14-month 0% period, with fees of 2% and 2.5% respectively, followed by the Barclaycard Platinum with BT credit card which offers a 0% period until January 2010.

Alternately, the Abbey credit card offers a 13-month 0% period, with a transfer fee of 2.5% uncapped.

Which? BEST BUY

Watch out for transfer fees

- Over the past 12 months there has been an increase in credit cards offering longer 0% periods for balance transfers. These cards offer good deals if you need to transfer a debt from another card, but generally charge a transfer fee of between 2.5% and 3%. This means if you were planning on transferring a debt of £3,000 to a card with a 3% uncapped fee, this would amount to a charge of £90.

0% BALANCE TRANSFER WITH TRANSFER FEE	APR	0% PERIOD	TRANSFER FEE	
	(%)	TRANSFER (MONTHS)	TRANSFER FEE	DEAL STARTS
VIRGIN MONEY Credit Card MasterCard	15.9	15	2.98% of balance (min £3) uncapped[a]	Issue
BARCLAYCARD OnePulse with BT Visa	14.9	14	2.5% of balance (min £6.25) uncapped	Issue
BARCLAYCARD Platinum with BT credit card[b]	14.9	until 1 Jan 2010	2.9% of balance (min £7.25) uncapped	Issue
TESCO PERSONAL FINANCE Bonus credit card[c]	15.9	14	2.9% of balance uncapped	Transfer
ABBEY credit card	15.9	13	2.5% of balance (min £3) uncapped	Issue
AVERAGE RATE	16.6			
WIDELY HELD CARDS				
LLOYDS TSB Platinum MasterCard	15.9	3	3% of balance uncapped	Transfer

a Limited to 95% of credit limit and not transferable from any other MBNA cards **b** 14 month 0% deal with same fee also available with the Barclaycard Flexi-Rate Visa and Barclaycard OnePulse with Cashback Visa both with the same APR **c** Balance transfer is also available with the Tesco Personal Finance Clubcard MasterCard with a higher APR of 16.9%