



Money monitor

Best Buys plus
what's in
the news

IS IT WORTH IT?

Tesco Compare

Tesco's new website compares car insurers and allows you to buy a policy online. It includes companies, such as Churchill, Privilege, Nationwide, Prudential and Virgin



Money, that are not available on other comparison sites.

Easy to navigate and reasonably fast, www.TescoCompare.com allows you to compare policy features as well as price. **VERDICT** This is a joint venture between the Royal Bank of Scotland (RBS), which owns Churchill, Direct Line and Privilege, and Tesco, which already uses RBS to provide its own-brand insurance. The site doesn't search the full range of insurers, missing out some of our significant Best Buys, such as the Post Office, LV= (Liverpool Victoria) and Saga (see *Which?*, October, p38). You should still check directly with the insurer, particularly if you need more information.

Contacts

Alliance & Leicester
0800 068 6069
www.alliance-leicester.co.uk
Anglo Irish Bank
0845 455 2222; www.angloirishbank.co.uk
Bradford & Bingley
www.bradfordandbingley.co.uk
Cahoot
www.cahoot.com
Chelsea BS
0800 121 8822
www.thechelsea.co.uk
Chorley & District BS
01257 279373
www.chorleybs.co.uk
Clydesdale Bank
0800 445265
www.cbonline.co.uk
Halifax 0845 726 3646
www.halifax.co.uk
Icesave
www.icesave.co.uk

Intelligent Finance 0845 609 4343; www.if.com
Kent Reliance BS 0845 122 0022; www.krbs.co.uk
National Counties BS
0845 603 4876
www.ncbs.co.uk
Nationwide BS
0800 302010
www.nationwide.co.uk
Principality BS
www.principality.co.uk
Sainsbury's Bank www.sainsburysbank.co.uk
Shephed BS
01509 822000
www.theshephed.co.uk
Skipton BS 0845 717 1777; www.skipton.co.uk
Smile 0870 843 2265
www.smile.co.uk
Yorkshire Bank
0800 202122
www.ybonline.co.uk
Yorkshire BS 0845 120 0100 www.ybs.co.uk

CURRENT ACCOUNTS	A/C DETAILS		OVERDRAFT	CUSTOMER SATISFACTION	
	MIN MTHLY PAY IN (£)	INTEREST ON £1+ (%)	ANNUAL INTEREST RATE (%)	INTERNET	OVERALL
ALLIANCE & LEICESTER Premier Direct ^{a,b,c}	500	6.50 ^d	see ^e	★★★	★★★
CAHOOT	n/a	3.65 ^f	11.80	★★★★★	★★★★★
HALIFAX High Interest	1,000	6.17	15.90	★★★	★★★
INTELLIGENT FINANCE	n/a	3.00	10.05	★★★★	★★★
NATIONWIDE BS FlexAccount	1,000	4.25 ^g	7.75	★★★★★	★★★★★
SMILE ^a	see ^h	3.04	11.90 ^j	★★★★★	★★★★★

^a Includes benefits such as exclusive deals on its other products ^b Must register for this account with a valid email address ^c No paper statements available: account transactions must be viewed online ^d On credit balances up to £2,500 until 31 October 2008 ^e Twelve-month free overdraft, then 50p a day (max £5 a month) ^f 3.75 per cent without chequebook ^g 4.25 per cent on first £3,000 of balance, then 0.25 per cent above £3,000 ^h You must make a regular payment (eg wage, salary, pension) or at least £1,000 a month into your account ^j Twelve-month £500 fee-free overdraft

SAVINGS ACCOUNTS	ACCESS	AER (%)		CONDITIONS		CONSISTENCY
	TYPE OF A/C	£100	£1,000 TO £5,000	INITIAL DEPOSIT (£)	NOTICE (DAYS)	BEST BUY FOR 6 MONTHS
BRADFORD & BINGLEY Internet Saver ^a	I	6.40	6.40	1		
CHELSEA BS Call Direct 30 3rd Issue ^a	T	n/a	6.40	250	30	
ICESAVE Easy Access ^a	I	n/a	6.30	250		✓
SAINSBURY'S BANK Internet Saver	I	6.25	6.25	1		✓
PRINCIPALITY BS e-Saver	I	6.20	6.20	1		✓
YORKSHIRE BS Internet Saver ^a	I	6.20	6.20	1		
ANGLO IRISH BANK 7-Day Notice	P/T	6.15	6.15	1	7	✓

Access Type of account offered: I=internet; P=postal; T=telephone ^a Interest can be paid monthly

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 6 MONTHS
KENT RELIANCE BS Direct	P	6.21	6.21	6.21	1	✓
YORKSHIRE BS e-Isa	I	6.05	6.05	6.05	10	✓
BRADFORD & BINGLEY e-Isa 2 ^a	I	6.05	6.05	6.05	1,000	
CLYDESDALE BANK	B/P/T	5.05	5.25	6.05	10	✓
YORKSHIRE BANK	B/T	4.40 ^b	5.25	6.05	10	✓
NATIONAL COUNTIES BS 2nd Issue	B/P/T	6.01	6.01	6.01	1	

Rates highlighted in red show the categories in which the accounts are Best Buys

Access Type of account offered: B=branch; I=internet; P=postal; T=telephone ^a Interest can be paid monthly ^b 4.2 per cent up to £999

CHILD TRUST FUNDS	ACCESS	AER (%)	CONDITIONS	
	TYPE OF A/C	£250 TO £1,450	MINIMUM ADDITION (£)	TRANSFERS IN
SHEPshed BS	B/P	7.25	1	✓
SKIPTON BS	B/P	7.00	10	✓
CHORLEY & DISTRICT BS	B/P	6.85	none	✓
YORKSHIRE BS	B/P	6.60 ^a	none	✓

Access Type of account offered: B=branch; P=postal ^a Rate excludes 0.7 per cent bonus payable for 12 months

£78.9 billion

the total amount invested in NS&I
in the last year

NS&I ANNUAL REPORT 2006-07

Current accounts

Every year we ask you about your current account and use the results to help choose our Best Buys. Note the lack of big names: only 40 per cent of customers of the big four (Barclays, HSBC, Lloyds TSB and NatWest) are very satisfied with their current account, compared with Smile, which had 80 per cent of its customers saying they're very satisfied. All our Best Buys achieve at least an average rating for satisfaction and are good value, whether you are in credit or run an overdraft. First Direct is no longer a Best Buy because it no longer pays interest on credit balances (see right).

Savings accounts

The top rate this month comes from Bradford & Bingley, an easy-access account that pays 6.4 per cent from £1. If you don't mind giving a month's notice to access your money, Chelsea Building Society's Call Direct 30 account is also a good bet. The best widely available branch-based account is Chelsea BS's Guarantee 60 account, paying 5.5 per cent. Bradford & Bingley, Chelsea BS, Icesave and Yorkshire Building Society offer you the option of receiving interest monthly.

Cash Isas

It always makes sense to use up your tax-free allowance (£3,000 a year) in a Best Buy Isa before putting money into a savings account. Top of the table this month is Kent Reliance Building Society's Direct account, which pays 6.21 per cent and is operated by post. We've included only Isas that allow transfers into the account. If you're starting from scratch, look at the National Savings Direct Isa, which currently pays 6.3 per cent.

Child trust funds

A cash child trust fund is just like a savings account, except the interest is tax-free and the child can't get at the money until they are 18. Shephed Building Society pays 7.25 per cent and is available at a branch or by post. Hanley Economic Building Society offers 8 per cent, but it's available only to people living locally.

Your money

First Direct lacks interest

From this month, First Direct will stop paying interest on current accounts. Existing accounts (paying 0.1 to 2 per cent interest) will be merged into a new '1st Account'. To earn interest, customers will have to transfer surplus funds to an Everyday e-Saver account, currently paying 5.5 per cent, or to a Regular Saving Account, which pays 8 per cent if you tie up money for a year. It is also cutting overdraft charges by introducing a £250 interest-free buffer zone. It will make its text message overdraft warnings free and will scrap the current £30 annual fee.

Chief Executive Chris Pilling (above) claims that most First Direct customers won't be bothered by the abolition of interest: 'A staggering 96 per cent of our customers told us that credit interest wasn't an important factor in choosing



First Direct, and almost 70 per cent didn't know the interest rate on their current account.'

The bank says that most customers will be better off. Maybe, but they could earn even more by moving savings to Best Buy Bradford & Bingley's Internet Saver (see 'Savings accounts', left). And Alliance & Leicester Premier Direct customers earn 6.5 per cent on their current account balance without having to transfer funds (see 'Current accounts', left and 'Don't bank on these changes', p75).

Other banks cut overdraft charges

Lloyds TSB cuts overdraft charges this month. The current £30 fee (capped at £90 a month) plus 29.8 per cent interest becomes a monthly £15 plus £6 to £20 daily, depending on the amount overdrawn. Interest will be 19.3 per cent for Classic accounts, 18.9 per cent for Classic Plus. It's good news for some, but anyone heavily overdrawn or unable to pay back immediately may pay more than before.

Abbey, Alliance & Leicester and Halifax/Bank of Scotland have made similar changes, while Barclays is expected to do so soon.

NEWS IN BRIEF

Savers in majority

Recent increases in interest rates aren't universally unpopular. Official figures show that 72 per cent of households have savings of some kind.

NS&I gains from Rock falls

Following the panic at Northern Rock, National Savings & Investments (NS&I) has seen a dramatic influx of funds. September deposits were up 20 per cent on August, while NS&I's Easy-Access Savings Account saw a 25 per cent increase. See p22 for more on NS&I.

Bon bonds

A shortage of commercial funds has led banks and building societies to raise rates on savings bonds to attract more deposits. Some, such as Stroud & Swindon or Standard Life, now offer 7 per cent to savers prepared to lock away funds for six months or a year.

TAKE ACTION!

Our sister publication *Which? Money* is launching a campaign to help people claim compensation if they have been mis-sold payment protection insurance. Go to www.which.co.uk/campaigns to download a template letter.

OUR UNIQUE RESEARCH

Our Best Buys

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. This means you've got protection if anything goes wrong. Like all *Which?* recommendations, our Best Buys are totally independent – so they're not swayed by any industry influence.

MORE ON MONEY

Which? Money

The November issue of *Which? Money* reveals how to save £1,800 on your next car – and how to get more for your money this Christmas. Try two issues for just £2. Go to www.which.co.uk/moneytrial or call now on 01992 822800.

