



Money monitor

Best Buys plus
what's in
the news

IS IT WORTH IT?

Leeds BS escalator Isa

Cash Isas don't often offer escalating rates or fixed rates for five years. With Leeds BS's five-year escalator you get 5.55 per cent for the first year, then 5.75, 6.0, 6.25 and 6.5 per cent, respectively, in the next four years. If you leave your money in for five years you get an annual equivalent rate (AER) of 6 per cent a year. For a basic-rate taxpayer this is the equivalent of 7.5 per cent taxed; for a higher rate taxpayer 10 per cent. The minimum deposit is £1 and you can pay in up to £3,600 each year.

VERDICT These are attractive rates, especially as they are assured for the next five years. There are, however, other fixed-rate Isas that offer even higher rates, such as Halifax's four-year Isa (6.2 per cent AER) and Nationwide's two-year Isa (6.15 per cent AER). In turbulent times a five-year fix is certainly worth close consideration.

Contacts

The AA

0800 096 8485
www.theaa.com

Abbey 0845 600 0181
www.abbey.com

Anglo Irish Bank
0845 455 2222
www.angloirishbank.co.uk

Asda 0870 126 2695
www.asdafinance.com

Barclaycard
0800 289289
www.barclaycard.co.uk

Birmingham Middles
www.askbm.co.uk

Black Horse
0870 242 7878
www.blackhorse.co.uk

Bradford & Bingley
www.bradfordandbingley.co.uk

Chelsea BS
0800 121 8822
www.thechelsea.co.uk

FirstSave
www.firstsave.co.uk

Icesave www.icesave.co.uk

ICICI Bank UK
0808 131 4151
www.icicibank.co.uk

Kaupthing Edge
www.kaupthingedge.co.uk

Kent Reliance BS
0845 122 0022
www.krbs.co.uk

Moneyback Bank
www.mbloan.co.uk

Nationwide BS
0800 302010
www.nationwide.co.uk

Post Office 0845 722 3344
www.postoffice.co.uk

Principality BS
www.principality.co.uk

Sainsbury's Bank
www.sainsburysbank.co.uk

Scarborough BS
0845 634 3760; www.scarboroughbs.co.uk

Your Personal Loan.co.uk
www.yourpersonalloan.co.uk

SAVINGS ACCOUNTS	ACCESS TYPE OF A/C	AER (%)		CONDITIONS		CONSISTENCY BEST BUY FOR SIX MONTHS
		£100	£1,000 TO £10,000	INITIAL DEPOSIT (£)	NOTICE (DAYS)	
BIRMINGHAM MIDSHIRES e-Saver	I	6.50	6.50	1	0	
KAUPTHING EDGE Savings Account^a	I		6.50	1,000	0	
CHELSEA BS 90 Day^b	P		6.30	250	90	
FIRSTSAVE Easy Access	I	6.26	6.26	100	0	
ICICI BANK UK HiSave Savings^a	I/T	6.16	6.16	1	0	
BRADFORD & BINGLEY Internet Saver 2^b	I	6.15	6.15	1	0	
ANGLO IRISH BANK 7-Day Notice	P/T	6.10	6.10	1	7	✓
ICESAVE Easy Access Savings^b	I		6.05	250	0	✓

Rates highlighted in red show the categories in which the accounts are Best Buys **Access** This shows the type of account: I=Internet; P=post; T=telephone **a** Monthly interest only **b** Monthly interest option also available

CASH ISAs TRANSFERS IN	ACCESS TYPE OF A/C	AER (%)	TERMS			CONSISTENCY BEST BUY FOR SIX MONTHS
			INITIAL DEPOSIT (£)	NOTICE (DAYS)	MONTHLY INTEREST	
SCARBOROUGH BS Notice	B/T	6.30	1,000	30	✓	
ABBEY Direct Issue 2	I/P/T	6.25 ^a	1	0		
ICESAVE Easy Access	I	6.10	1,000	0	✓	
PRINCIPALITY e-Isa	I	6.00	1	0		
BRADFORD & BINGLEY e-Isa 3	I	5.90 ^b	1,000	0	✓	✓
KENT RELIANCE BS Direct	P	5.76	1	0		✓

Access This shows the type of account: B=branch; I=Internet; P=post; T=telephone **a** After 13 months rates revert to up to 5.25 per cent, depending on account balance **b** 5.9 per cent from £10,000; 5.5 per cent below that

UNSECURED LOANS	APR (%)		LOAN AMOUNT		CONDITIONS EARLY REPAYMENT PENALTY
	£5,000 OVER THREE YEARS	£10,000 OVER FIVE YEARS	MIN (£)	MAX (£)	
RISK-BASED					
BARCLAYCARD	6.80	6.80	1,000	25,000	✓
THE AA	8.20	6.90	1,000	25,000	✓
ASDA	n/a	6.90	7,500	25,000	✓
BLACK HORSE	6.90	6.90	1,000	15,000	✓
MONEYBACK BANK	7.40	6.90	3,000	20,000	✓
SAINSBURY'S BANK	7.90	7.30	1,000	25,000	✓
NON-RISK BASED PRICING					
YOUR PERSONAL LOAN.CO.UK	6.90	6.90	5,000	25,000	✓
POST OFFICE	7.90	7.90	2,000	25,000	
NATIONWIDE BS	9.90	7.90	5,000	25,000	

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

All rates correct at 29 April 2008

Information based on data supplied by moneyfacts.co.uk

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

5.8 million

BT customers who don't pay
their bills by direct debit

BT

Savings accounts

We have a new entry to our Best Buys table this month. Birmingham Midshire's e-Saver account pays an impressive 6.5 per cent from just £1. Kaupthing Edge's online savings account also pays 6.5 per cent but on balances from £1,000.

If you don't mind having to give notice to gain access to your money and wish to operate your account by post, Chelsea Building Society's 90 Day account is your best bet. Like Bradford & Bingley, it offers the option to pay interest monthly.

Anglo Irish Bank and Icesave are the only accounts to have been Best Buys consistently for the past six months.

Cash Isas

It always makes sense to use up your tax-free allowance in a Best Buy Isa before putting money into a savings account. You can now save up to £3,600 in a cash Isa – an increase of £600 a year.

Top of the table this month is Scarborough Building Society's Notice Isa – a 30-day notice account that pays 6.3 per cent. If you prefer to access your account online, Icesave's Isa paying 6.1 per cent is a good bet. We've included only Isas that allow transfers into the account.

Loans

Unsecured personal loans are the cheapest way to borrow larger amounts. Interest rates and the repayment term are fixed, so you know how much you have to repay and for how long.

Barclaycard offers the best deal for borrowing £5,000 over three years and £10,000 over five years, with a typical rate of 6.8 per cent. This rate depends on your credit rating.

The AA, Asda, Black Horse and Moneyback Bank charge 6.9 per cent for borrowing £10,000 over five years. However, they also use risk-based pricing to determine your interest rate, so the rate you get will depend on your credit rating and may be different from the rate shown. Make sure you compare the rate you are given with the non-risk-based rates shown in case they're cheaper.

Your Personal Loan is the best non-risk-based deal, with a typical rate of 6.9 per cent.

Your money

Mortgage fees double

Average mortgage fees have almost doubled in the past year, from £665 to £1,026 by mid-April. The sharp rise is bad news for homeowners approaching the end of their current fixed-rate mortgage terms. But watch out for deals that mask high fees.

The latest figures, from market analyst Moneyfacts, coincided with the introduction of HSBC's Rate Matcher offer. This gave homeowners at the end of their current fixed term the same or a better rate for another two years. But the arrangement fee was between £599 and £4,099.

As we went to press, HSBC told us that 57 per cent of applicants had paid the lowest fee of £599. A spokesman said: 'The criteria are the same for everyone, but the fee is based on the amount borrowed and the rate customers are refinancing at.'

However, as a quarter of mortgage deals don't involve arrangement fees, even those who paid £599 may still be paying too much. This makes it even more important for borrowers to shop around, as they could be better off opting for a mortgage with a slightly higher interest rate and no arrangement fee.

Speak to an independent financial adviser or use the Which? mortgage calculator at www.which.co.uk/mortgages to help you find the best deals from all the mortgages currently available.



Keep security software up to date

If you bank online, the revised Banking Code warns you to keep anti-virus and spyware software up to date and to install a personal firewall. It appears to say that if your PC is inadequately protected, you will not be recompensed for any losses this causes, as you could be said to have acted 'without reasonable care'.

In fact, internal guidance to banks and building societies suggests that, as before, only customers who have displayed 'gross negligence' should be held liable. If you have a dispute with your bank over online losses which you cannot resolve, go to the Financial Ombudsman Service. For advice on security software, see *Which?*, February 2008, p52.

NEWS IN BRIEF

BT surcharge 'fair'

■ BT won a recent court case brought by a customer who challenged its £4.50 surcharge for paying by cheque. To avoid the charge you need to pay your bill by direct debit. Other phone providers make a similar charge.

Tax on gas guzzlers

■ Tax-disc charges will go up next year for high-polluting cars. Thirteen new bands replace the current seven. Pre-2001 cars are still treated differently, paying according to engine size. See www.theaa.com/motoring_advice/car-buyers-guide/cbg_roadtax.html for more.

Termite troubles

■ British savers worried by Northern Rock might spare a thought for a man in India whose safe deposit box was attacked by termites. Although his life savings were reduced to dust, the bank denied liability, claiming it had put up a warning notice.

TAKE ACTION!

If you're planning your next holiday and you have annual travel insurance, check when it expires. See p22 for our latest Best Buy annual and single-trip policies.

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 June issue of *Which? Money* reveals how to boost your pension by up to £1,300 a year and guard against ID fraud. You can try two issues for just £2. Go to www.which.co.uk/moneytrial or call 01992 822800.

