



Money monitor

Best Buys plus
what's in
the news

IS IT WORTH IT?

'Green' but not cheap

CIS has launched Ecoinsurance (ecoinsur.ance.co.uk), claiming it to be the UK's first 'green' motor insurance. The main benefit is that it offsets 20 per cent of carbon dioxide (CO₂) emissions for each insured vehicle. You can do this yourself with organisations like Climate Care and Carbon Neutral. Offsetting all CO₂ emissions from an average car costs £27 a year with Climate Care. CIS also offers discounts for 'green' cars.

We got several comparative quotes from CIS and two of our car insurance Best Buys. Ecoinsurance was considerably more expensive in the quotes we gathered. Insuring a Ford Focus for a 45-year-old living in a high-risk postcode cost £750 more than with a Best Buy insurer, Hastings Direct. Insuring the 'green' Toyota Prius wasn't much cheaper, costing £651 more. **VERDICT** Premiums look dear so it could be cheaper to offset emissions yourself. Compare quotes with our Best Buys.

Contacts

AA www.theAA.com
Abbey www.abbey.com
Bradford & Bingley www.bradfordandbingley.co.uk
Chelsea BS
01242 283593
www.thechelsea.co.uk
Carbon Neutral
www.carbonneutral.com
Chorley & District BS
01257 419105
www.chorleybs.co.uk
Climate Care
www.climatecare.org.uk
Clydesdale Bank
0800 445265
www.cbonline.co.uk
Direct Line
0845 309 0777
www.directline.co.uk
Dudley BS
01384 231414
www.dudleybuilding
society.co.uk
Halifax 0845 726 3646;
www.halifax.co.uk
Ipswich BS 0845 230
8686 www.ipswich-
bs.co.uk
Kent Reliance BS 0845
122 0022; www.krbs.co.uk
Masterloan
www.lowrateoffer.com
Melton Mowbray BS
01664 414141
www.mmbs.co.uk
Moneyback Bank
www.mbloan.co.uk
Monmouthshire BS
01633 844402
www.monbs.com
National Counties BS
01372 747771
www.ncbs.co.uk
Nationwide BS
0800 302 010
www.nationwide.co.uk
Northern Rock
0845 608 0405
www.northernrock.co.uk
Saffron Walden BS 0800
072 1100
www.swhebs.co.uk
Stafford Railway BS
01785 223212
www.srbs.co.uk
Yorks BS 084 512 0100
www.ybs.co.uk

MINI CASH ISAs	ACCESS	AER (%)			TERMS		CONSISTENCY
	TYPE OF A/C	UP TO £2,999	£3,000-£5,999	£18,000	INITIAL DEP (£)	NOTICE (DAYS)	BEST BUY FOR 6 MONTHS
KENT RELIANCE BS Direct	P	5.21	5.21	5.21	1		✓
CLYDESDALE BANK	B	4.15 ^a	4.40	5.20	1		✓
BRADFORD & BINGLEY eSavings	I	5.15	5.15	5.15	1,000		✓
YORKSHIRE BS e-Isa	I	5.15	5.15	5.15	10		✓
DUDLEY BS Transfer	B/P			5.10	9,000	30	
MONMOUTHSHIRE BS	B/P	5.05	5.05	5.05	10	30	
NATIONAL COUNTIES BS Isa 2	B/P/T	5.01	5.01	5.01	1		

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

Access Type of banking offered: B=branch; I=internet; P=postal; T=telephone a 3.75 per cent to £999

CHILDREN'S ACCOUNTS	ACCESS	AER (%)	A/C DETAILS		CONSISTENCY
	TYPE OF A/C	£10+	MAX AGE	FREE GIFT	BEST BUY FOR 6 MONTHS
YORKSHIRE BS One Day	B/P	5.15	20		✓
CHELSEA BS Ready Steady Save	B	5.10	15		✓
SAFFRON WALDEN BS Ladybird	B/P	5.10	16	✓ ^a	✓
HALIFAX/BANK OF SCOTLAND Save4it	B/P	5.05	16	✓ ^b	✓
NATIONWIDE BS Smart	B/I	5.01	17	✓ ^c	
MELTON MOWBRAY BS 0216 Savers	B/P	5.00	16	✓ ^d	
STAFFORD RAILWAY BS First Track	B/P	5.00	17	✓ ^a	

Access Type of banking offered: B=branch; I=internet; P=postal

a Moneybox b Coin bank, kitbag and wallet c Welcome pack, including money-off vouchers d Teddy bear or City bag

LOANS	APR (%)		AMOUNT		CONDITIONS	
	£5,000 OVER 3 YEARS	£10,000 OVER 5 YEARS	MIN (£)	MAX (£)	EARLY REPAYMENT PENALTY	CREDIT SCORE
RISK BASED						
MONEYBACK BANK^a	5.70	5.70	3,000	25,000	✓	✓
MASTERLOAN	5.70	5.70	1,000	15,000	✓	✓
AA^a	5.80	5.80	1,000	25,000	✓	✓
ABBEY^a	5.80	5.80	1,000	25,000	✓	✓
NORTHERN ROCK	5.80	5.80	1,000	25,000		✓
NON-RISK BASED						
DIRECT LINE	6.10	6.10	2,000	25,000	✓	
NATIONWIDE BS	6.70	6.40	1,000	25,000	✓	

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

a Internet only

Rates correct at 7 September 2006

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

£1,237,622,000,000

(£1.2 trillion to you and me) outstanding on mortgages, loans and credit cards in the UK

BANK OF ENGLAND AUGUST 2006

Your money

Nothing cute about these loan adverts

Northern Rock uses cute frogs to advertise its personal loans. However, we think that far from being cute, some of these adverts are irresponsible. This one encourages us with 'I have the urge to splurge' – meaning to spend recklessly. We think that it breaches the Advertising Standards Authority (ASA) code that says adverts should be 'prepared with a sense of responsibility to consumers and to society'. We have asked the ASA whether it agrees.

We think Virgin's website shows a similar lacking by encouraging us to 'Buy a camel, build a shed. Rent a villa, fly to the moon. Pay off debt...if it's legal we don't care. Quick decision, rapid cash.'

We contacted the Financial Services Authority (FSA) about the way wine merchant



Premier Cru advertises wine to pay off interest-only mortgages. We think it sounds like more traditional financial investments like stocks and shares.

The FSA can't take action as it doesn't regulate investing in wine. It said: 'Consumers choosing exotic vehicles to repay capital should note they are higher risk and don't give access to the Financial Services Compensation Scheme or Financial Ombudsman Service.'

Amex's new interest rate trick

American Express has found a new way to recover some of the money it could lose after being forced to cut late-payment credit card charges. It now bills higher interest rates on top of an £8 fee. People who miss two payments or fail one payment a year will be charged an extra 4 per cent for the following 12 months. But if you don't pay for two months, miss three payments, or two cheque payments bounce you'll be charged 25.9 per cent.

We asked Amex to show that its charges are fair and reflect its costs. It failed by saying: 'The new charges are designed to deter customers who habitually miss payments. We encourage people to set up a direct debit to avoid the increase in interest rates.' We have sent our concerns to the OFT.

NEWS IN BRIEF

Lower credit rate

■ Barclaycard's new student credit card charges 14.9 per cent on purchases – lower than other student cards. It doesn't charge if you exceed the credit limit, but like other cards it charges £12 for missed payments. It also has a higher than average minimum repayment of 5 per cent of the outstanding balance.

Shariah account

■ Lloyds TSB has launched a good-value account for Muslim students. The new student account complies with Muslim Shariah law that says that they cannot pay or receive interest on their money. It has a £1,500 interest-free overdraft for the first three years.

Free overdraft

■ The Northern Bank Freedom Account, also good value, is available to anyone aged 18 to 27 (including students) and has a maximum £3,000 interest-free and fee-free overdraft.

Cheque changes

■ If you want to pay a cheque in to a bank or savings account now it must be made out to you and not your bank. Banks have introduced this to help stop fraud as it will make it harder to use stolen cheques.

Mini cash Isas

It always makes sense to use up your tax-free Isa 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 5.21 per cent. If you prefer to access your account via the internet, then Bradford & Bingley's eSavings Isa or Yorkshire Building Society's e-Isa are both a good bet.

We've only included Isas which allow transfers in to the account as Best Buys. If you don't have any cash to transfer, look at National Savings Direct Isa. It pays 5.30 per cent on balances up to £3,000, with an initial minimum deposit of £1,000.

Children's accounts

All our Best Buys are instant access accounts so you can make deposits or withdrawals at any time.

Top of the table this month are Yorkshire Building Society's One Day account paying 5.15 per cent and Saffron Walden Building Society's Ladybird and Chelsea Building Society accounts paying 5.1 per cent. All have been Best Buys for the last six months.

If you want a child trust fund (CTF), our Best Buy cash accounts are Yorkshire Building Society which currently pays 6.25 per cent (reverting to 5.55 per cent after a year), Chorley & District Building Society which pays 5.5 per cent and Ipswich Building Society which pays 5.4 per cent.

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. If you might be in a position to pay off your loan early, choose Northern Rock, as it's the only Best Buy that doesn't have an early repayment penalty.

Moneyback Bank and Masterloan offer the best deal, with a typical rate of 5.7 per cent for both smaller and larger amounts. However, they use risk-based pricing to determine an individual's interest rate. 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. Direct Line is currently cheapest for non-risk-based loans.

OUR UNIQUE RESEARCH

Our Best Buys

We analyse the whole market to bring you our Best Buys. With savings, loans and current accounts we recommend only companies that subscribe to the Banking Code. This protects you if anything goes wrong. Like all Which? recommendations, our Best Buys are totally independent – we're not swayed by industry influence.

MEMBER BENEFIT

Free website access

Our members-only website contains regularly updated Best Buys for credit cards, current accounts, Isas, savings accounts and mortgages, plus information on car, house and travel insurance, financial advice and protection insurance.

Go to www.which.co.uk.