



# Money monitor

Best Buys plus  
what's in  
the news

MINI CASH ISAs	ACCESS	AER (%)			DEPOSIT	CONSISTENCY
	TYPE OF A/C	UP TO £2,999	£3,000-£5,999	£18,000	INITIAL (£)	BEST BUY FOR 6 MONTHS
<b>BRADFORD &amp; BINGLEY</b> Esavings	I	5.00	5.00	5.00	1,000	✓
<b>KENT RELIANCE BS</b> Direct	P	4.96	4.96	4.96	1	✓
<b>YORKSHIRE BS</b> e-Isa	I	4.90	4.90	4.90	10	✓
<b>STAFFORD RAILWAY BS</b> Mini cash Isa	B/P	4.50	4.50	5.00	1	
<b>BARCLAYS/WOOLWICH</b> Mini cash Isa	B	4.20	4.30	5.00	10	✓

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

## Mini cash Isas

We're only one month into the new tax year, so there's plenty of time to use up your tax-free Isa allowance. Bradford & Bingley's Esavings currently offers the highest rate. However, you need at least £1,000 to open it. If you have less than this, then Kent Reliance is your best choice. All accounts, except for Stafford Railway's, have been Best Buys for the past six months.

Remember that you can pay into only one mini cash Isa account in a tax year and the most

CHILDREN'S ACCOUNTS	ACCESS	AER (%)	A/C DETAILS		CONSISTENCY
	TYPE OF A/C	£10+	MAXIMUM AGE	FREE GIFT	BEST BUY FOR 6 MONTHS
<b>SAFFRON WALDEN BS</b> Ladybird	B/P	4.90	16	✓ <sup>a</sup>	✓
<b>CHELSEA BS</b> Ready Steady Save	B	4.85	16		✓
<b>HALIFAX/BANK OF SCOTLAND</b> Save4it	B/P	4.80	16	✓ <sup>b</sup>	✓
<b>PROGRESSIVE BS</b> Start-Up	B/P	4.80	16		✓
<b>YORKSHIRE BS</b> One Day	B/P	4.80	20		✓

a Moneybox or hip bag b Calculator, coin bank and passbook wallet Access Type of banking offered: B=branch; P=postal

## Children's accounts

Our Best Buys all have variable rates but they have been Best Buys for the past six months. If the rates go down, you can access your child's money to switch account whenever you want. There's no restriction on the number of deposits you can make, either. The Saffron Walden account offers the highest rate and comes with a free Ladybird moneybox or hip bag.

For very young children, an adult will need to open the account on their behalf. By the time

CASHBACK CREDIT CARDS	APR	CASHBACK (%)			
	(%)	UP TO £1,000	£2,000-£2,999	£3,000-£7,499	£7,500+
<b>EGG MONEY</b> MasterCard	6.9 <sup>a</sup>	1	1	1	1
<b>AMERICAN EXPRESS</b> Blue	6.9	0.50	1	1	1
<b>AMERICAN EXPRESS</b> Platinum	8.9	0.50	0.50	1	2
<b>YORKSHIRE BS</b> Base Rate Tracker Visa	10.5	1	0.50	0.50	0.50
<b>BANK OF IRELAND</b> Moneyback/Gold M'Card	14.9	0.50	0.50	1	1

a Rate depends on your credit score

## Cashback cards

If you always or usually pay your bill in full, choose one of our Best Buy cashback cards. They give you back a percentage of what you spend on them. Egg Money gives you the same amount no matter how much you spend, while others vary the cashback with the amount you rack up on your card. American Express Platinum, for example, pays 2 per cent on spending above £7,500 a year. American Express is not as widely accepted as Visa and MasterCard, though.

CREDIT CARDS FOR BORROWING	APR	TYPE OF BORROWER		
	(%)	OCCASIONAL PAYER	NEVER PAYER	HOLIDAY PAYER
<b>HALIFAX</b> Flat Rate Visa	5.9		✓	✓
<b>AMERICAN EXPRESS</b> Blue	6.9	✓	✓	✓
<b>EGG</b> Money MasterCard	6.9 <sup>a</sup>	✓	✓	✓
<b>YORKSHIRE BS</b> Base Rate Tracker Visa	10.5	✓		

a Rate depends on your credit score

All rates correct at 3 April 2006

## Borrowing cards

Card companies charge interest in different ways, so you can't tell how expensive a card is just from its interest rate. Only our Best Buys take into account both the interest rate and the interest calculation method to work out the true cost.

To find the most suitable card for your needs, choose a card in the column that most closely matches the way you pay your credit card bill. Occasional payers pay one in every four bills in

# 33%

of credit card holders hit with a late payment charge in the last year

WHICH? RESEARCH

you can invest in a tax year is £3,000.

Once you've invested this amount, if you take some out, you can't put it back in again.

If you want to switch to a Best Buy Isa, remember to follow the rules to avoid losing any interest. Open your new account and tell your old and new provider you want to transfer your savings. Ask your existing provider to arrange the transfer – don't withdraw the money and take it to your new provider yourself.

they're seven (Saffron Walden BS and Halifax/Bank of Scotland) or eight (Progressive BS and Yorkshire BS), children can open and run these accounts themselves. So you might want to guard the bank book if you've paid a lot into it. The maximum age for holding these accounts is 16 (except for Yorkshire Building Society's account, which is 20). When your child reaches this age, they take out the money and close the account.

Most of the cards have a limit on the amount of cashback they'll pay in a year. For example, with Egg Money, the maximum is £200 (but you'd have to spend around £20,000 to reach this) and the minimum is £5 (which means you'd need to spend around £500 a year to qualify for any cashback). And watch out if you exceed your monthly limit or miss a monthly payment as, with some cards, you may forfeit your cashback for that month.

full. Never payers never or rarely pay their bills in full. Holiday payers tend to borrow for big purchases, such as holidays, and then pay off the debt gradually over the year.

American Express Blue and Egg Money MasterCard are Best Buys in all categories. Egg's rate is risk based, though, so the rate you get depends on your credit score. With all other cards, the advertised rate is the one you'll get.

## Your money

# Banks hit with Asbo



Anyone who's strayed over their overdraft limit for a day or two and been hit by sky-high charges will understand why we've slapped an 'Asbo' – that's an Anti-Social Banking Order – on all UK banks. We've done it because we object to unfair and excessive unauthorised overdraft charges. All too often these are disproportionate and don't reflect the costs to the bank of dealing with the overdraft. For example, we don't believe that it costs £35 to send a letter to a customer. And charging £30 for going overdrawn by just 2p (see 'Here to help', p7) is unacceptable.

In issuing our Asbo, we're calling on all providers to come clean about the real costs of unauthorised overdrafts and to reduce their charges to a more reasonable level. We've also asked the Financial Services Authority to investigate whether banks and building societies are acting unfairly. If you've been hit with unfair overdraft charges, ask for your money back. Visit [www.which.co.uk/bankingcharges](http://www.which.co.uk/bankingcharges) for help in doing this.

## Credit card charges capped by OFT

Last month, the Office of Fair Trading (OFT) urged credit card companies to slash their default charges to no more than £12. Charges for late payments or for exceeding credit limits are too high and unfair, as they don't reflect the costs incurred by the card companies in dealing with them. Charges of £20 or £25 are currently commonplace. We are calling on card companies to set fair charges which may be lower than £12. If you receive an unfair credit card charge, ask your card company to refund it – see 'Banks hit with Asbo', above, for details of how to do this.

### NEWS IN BRIEF

#### Overdrafts reviewed

■ Smile has removed its automatic £500 fee-free overdraft. Instead, it will review customers' overdraft facilities annually and let them know whether or not there will be any changes to how much they can borrow.

#### Responsible lending

■ Halifax/Bank of Scotland, HSBC, Lloyds TSB and Royal Bank of Scotland are trialling a scheme to help identify people who are struggling with debt. It involves sharing information with credit reference agency Call Credit on their customers' income.

#### Endowment redress

■ If you've won your endowment complaint and been awarded redress, a new service will check the amount is correct. Available from 8 May, [www.exasoft.biz](http://www.exasoft.biz) charges £52.50. For more on endowment claims, see our report on p26.

#### TAKE ACTION!

Take a good look at your statements, to check you're not paying for any services you're not using, and cancel any old direct debits or standing orders. Contact your bank if there are any payments you don't recognise.

## 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.

### Which? Extra

Our exclusive members-only website contains regularly updated Best Buys for credit cards, current accounts, Isas, savings accounts and mortgages. There is also information on car, house and travel insurance, financial advice and protection insurance. So for all your financial needs, go to [www.which.co.uk/whichextra](http://www.which.co.uk/whichextra)