



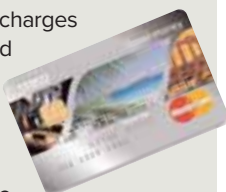
Money monitor

Best Buys plus
what's in
the news

IS IT WORTH IT?

Tesco Travel Card

Tesco Finance has launched a prepaid travel money card for holidaymakers. Prepaid travel cards are ideal for young travellers and anyone who prefers not to use their main credit/debit cards overseas to avoid theft or fraud problems. Each card comes with a free replacement, which can be activated by phone if your original one is lost. Other card providers send replacements from the UK and charge up to £50 in courier fees. There are no loading charges or application fees and the only transaction charge is for cash withdrawals at foreign ATMs.



VERDICT Better value than many prepaid cards, but the rate of exchange is not quite as good as the Caxton FX card (*Which?*, May 2008, p24). Caxton's ATM charges are slightly lower, too.

Contacts

AA 0845 603 6302
www.theaa.com

American Express
0800 085 7799
www.americanexpress.co.uk

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

Bank of Ireland (UK)
0800 085 0444
www.bankofireland.co.uk

Barclaycard
0800 731 0200
www.barclaycard.co.uk

Birmingham Midshires
www.askbm.co.uk

Bradford & Bingley
www.bradfordandbingley.co.uk

Chelsea BS
0800 169 9911
www.thechelsea.co.uk

Chorley BS
01257 279373
www.chorleybs.co.uk

Egg Money
www.egg.com

FirstSave
www.firstsave.co.uk

Halifax/Bank of Scotland
0845 726 3646
www.halifax.co.uk

Icesave
www.icesave.co.uk

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

Intelligent Finance
www.if.com

Kaupthing Edge
www.kaupthingedge.co.uk

Nationwide BS
Call local branch;
www.nationwide.co.uk

Saffron BS
0800 072 1100
www.saffronbs.co.uk

Smile
0870 843 2265
www.smile.co.uk

Yorkshire BS www.ybs.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)	
ANGLO IRISH BANK 7 Day Notice 2	P/T	6.55	6.55	1	7	✓
KAUPTHING EDGE Savings Account ^a	I	6.55	6.55	100	0	✓
BIRMINGHAM MIDSHIRES e-Saver 2	I	6.52	6.52	1	0	
BRADFORD & BINGLEY Internet Saver 3 ^b	I	6.51	6.51	1	0	
CHELSEA BS 90 Day ^b	P	n/a	6.50	250	90	
AA Internet Saver	I	6.46	6.46	1	0	
INTELLIGENT FINANCE I-Saver	I	6.40	6.40	1	0	
ICESAVE Easy Access Savings ^b	I	n/a	6.30	250	0	✓
FIRSTSAVE Easy Access ^b	I	6.26	6.26	100	0	✓
ICICI BANK UK HiSave Savings ^b	I/T	6.16	6.16	1	0	✓

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

CASHBACK CREDIT CARDS	% CASHBACK ON ANNUAL SPENDING				MAX ANNUAL MAX (£)	APR ^a %
	£0-£1,999	£2,000-£3,500	£3,501-£10,000	£10,001+		
AMEX Platinum Moneyback ^{b,c}	0.5	0.5	1	1.5	no max	18.9
BANK OF IRELAND (UK) Moneyback MC ^d	0.5	0.5	0.5	0.5	75	16.9
BARCLAYCARD Platinum Cashback ^b	0.5	0.5	0.5	0.5	180	16.9
EGG MONEY MasterCard ^{e,f}	1	1	1	1	200	12.9
SMILE Classic Visa ^g	0.5	0.5	0.5	0.5	no max	20.9 ^h

Rates highlighted in red show the categories in which cards are Best Buys ^a Exact rate depends on your credit score ^b Cashback available only on spending up to credit limit each month ^c Up to 5% cashback for the first three months (maximum £200) ^d Also available as a gold card with same rates and features ^e Can apply for card online only ^f Cashback is lost if less than £5 at year end ^g Cashback paid monthly ^h Lower rate of 16.9% available to current-account holders

CHILDREN'S ACCOUNTS	ACCESS TYPE OF A/C	AER (%) £10+	A/C DETAILS		CONSISTENCY BEST BUY FOR SIX MONTHS
			MAX AGE	FREE GIFT	
HALIFAX/BANK OF SCOTLAND Save4it	B/P	5.55	15	✓ ^a	✓
CHELSEA BS Ready Steady Save	B/P	5.45	15		✓
YORKSHIRE BS One Day ^b	B/P	5.40	20		✓
CHORLEY BS Young Chorleian	B/P	5.35	16		
NATIONWIDE BS Smart ^{b,c}	B/I	5.27	17	✓ ^d	✓
SAFFRON BS Ladybird	B/P	5.25	15	✓ ^e	✓

Access Type of account offered: B=branch; I=internet; P=postal ^a Coin bank and calculator ^b Interest paid twice a year ^c Internet banking for over-11s only ^d Welcome pack ^e Moneybox

All rates correct at 1 September 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

£1.04bn

paid out by the Financial Services
Compensation Scheme since 2001

FINANCIAL SERVICES COMPENSATION SCHEME

Savings accounts

This time last year, the gap between the interest paid by the best and worst savings accounts was 5.9%. Now it's risen to 6.3%, so it's even more important to keep checking interest rates and switch to a new account if necessary.

If you had £10,000 in our Best Buy Kaupthing Edge account, you would earn £655 interest a year. By comparison, if you saved your money in a poor-value account such as Derbyshire Building Society's Cash Account, which pays just 0.25%, you would earn only £25 interest – leaving you £630 a year worse off. The average rate on balances of £10,000 is 3.88%.

First Direct's Everyday Savings account offers one of the lowest rates on a balance of £100 – a measly 0.1%. By switching to our top Best Buys you will earn a massive 6.45% more interest.

Cashback cards

Cashback credit cards repay you a percentage of your spending every time you use them. They are a good option for people who always pay off their bills in full each month.

The American Express Platinum Moneyback is best for big spenders, paying 1.5% back on spending above £10,000.

Egg Money MasterCard is also a Best Buy, paying 1% cashback on all spending up to a maximum of £200. This is a good choice if you spend less than £3,500 on your credit card.

Children's accounts

All but one of the accounts in our table have been Best Buys for the past six months, so it's worth switching to one if you are looking for consistent good value. Halifax, Nationwide and Saffron offer a free gift as an extra incentive.

Poor-value accounts to avoid are Adapt from NatWest and Revolve from Royal Bank of Scotland as they pay just 3.15% interest – 2.4% lower than our top Best Buy. If you put £2,500 into Halifax's Save4it account you would earn £139 a year – £60 more than with NatWest or the Royal Bank of Scotland.

Your money

Isa transfer trouble

Transferring money from one cash Isa to another should be easy, but it was anything but that for Which? member John Munns (below) when he decided to move cash from West Bromwich to Nationwide.

John visited Nationwide in March, completed the relevant forms and left them for his branch to forward. A month later he was told a new set needed to be completed. It wasn't until mid-August that his new account was finally set up.

John was concerned about losing interest on his savings. Nationwide agreed to backdate this to 28 May, when the money was formally transferred, and has offered him £50 compensation to make up for administrative errors. He is happy with this as he would otherwise be left out of pocket. 'The West Bromwich bond matured on 5 April 2008, so I have earned no interest from then until 28 May,' he says.

As we reported in *Which? Money* (September 2008), Isa transfer problems are widespread. The formal process, where providers post forms to each other, and funds are forwarded by written cheque, seems outdated and cumbersome.

Nationwide agrees with Which? that reform is needed and it has called for the industry to develop an electronic transfer system. Which? wants all providers to guarantee transfer times.



Cheaper student loans

The new academic year brings good news for students and recent graduates as the interest rate charged by the Student Loans Company (SLC) drops from 4.8% to 3.8% for 2008-09. Linked to the retail price index, it doubled in 2007 but is now moving the other way.

This means that a recent graduate with a debt of £17,500 who has yet to make any repayments will have to pay £175 less next year in interest charges. The SLC has, at the same time, promised to stop overcharging graduates by continuing to deduct repayments after they have paid off their full loan. Over 20,000 people had extra payments deducted in error last year.

NEWS IN BRIEF

Funds reunited

■ Banks and building societies are continuing to trace lost customers and pay back money from dormant accounts. Halifax has already forwarded £16m, while Lloyds TSB has £69m to distribute. See www.mylostaccount.org.uk for how to make a claim.

Money back

■ Norwich Union has finally agreed to offer policyholders payouts totalling around £1bn, in return for surrendering their claim to future 'special bonus' payments from surplus funds (its 'inherited estate'). For more see www.which.co.uk/withprofits.

Insurance mis-sold

■ Liverpool Victoria has been fined £840,000 by the Financial Services Authority for mis-selling payment protection insurance to 14,500 customers between 2005 and 2007. The firm will also pay compensation to policyholders.

TAKE ACTION!

If you're making a self-assessment tax return for 2007-08, the deadline for sending a paper copy to HMRC is 31 October 2008. The deadline for online filing is 31 January 2009.

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 October issue of *Which? Money* reveals Best Buy fixed-rate savings accounts plus Best Buy pet insurance providers. Try two issues for £2 at

www.which.co.uk/moneytrial or call 01992 822800.

