



# Money monitor

Best Buys plus  
what's in  
the news

## IS IT WORTH IT?

### Post Office Travel Money Card

The Post Office has launched a pre-paid holiday card, available in sterling, euros or US dollars. Unlike many other pre-paid cards, its Travel Money Card doesn't charge you either to load it with foreign currency or to spend on it, as long as you are spending in the right currency in the right country (that is, in Europe for a euro card and the US for a dollar card). However, it will charge £1.50 when you get money out of a cash machine abroad (and £2 if you use a UK cash machine).

The card costs £10 to buy, and you have to put a minimum of £250 on it the first time you load it and at least £50 each subsequent time.

**VERDICT** One of the cheaper pre-paid cards, with no fees to load it with money or to spend on it.



## Contacts

**Citi** 0870 903 5000  
www.citibank.co.uk

**Co-operative Bank**  
08457 21 2212; www.  
co-operativebank.co.uk

**Halifax** 08457 203040  
(student account)/  
0800 3891166 (balance  
transfer Visa)  
www.halifax.co.uk

**Help the Aged**  
0800 002006; www.  
co-operativebank.co.uk

**Intelligent Finance** 0800  
917 6082; www.if.com

**Liverpool Victoria** 0800  
134134; www.liverpool  
victoria.co.uk

**Morgan Stanley**  
0800 028 0838; www.  
morganstanleycard.co.uk

**Nationwide BS**  
0800 302010  
www.nationwide.co.uk

**NatWest** 0800 881771  
www.natwest.com

**Post Office**  
0800 1692000  
www.postoffice.co.uk

**Royal Bank of Scotland**  
0800 121121; www.rbs.co.uk

**Saga** 0800 214836  
www.saga.co.uk

**Sainsbury's Bank**  
0800 032 1365; www.  
sainsburysbank.co.uk

**Smile** www.smile.co.uk

**Ulster Bank (NI)**  
0845 603 3738 (student  
account)/028 9089  
8888 (Gold M'Card)  
www.ulsterbank.com

STUDENT ACCOUNTS	MAX FREE OVERDRAFT (£)				OVERDRAFT RATES (%)		CREDIT INTEREST (%)
	YEAR ONE	YEAR TWO	YEAR THREE	YEAR FOUR	AUTHORISED	NOT AUTHORISED	
<b>CO-OPERATIVE BANK</b>	1,400	1,700	2,000		9.79	32.92	0
<b>HALIFAX</b>	1,750	1,900	2,100	2,100	7.20	24.20	2.02
<b>NATWEST<sup>a</sup></b>	1,250	1,400	1,600	1,800	0	17.81	0.10
<b>ROYAL BANK OF SCOTLAND</b>	1,250	1,400	1,600	1,800	9.40	29.84	2.02
<b>SMILE</b>	1,000	1,400	1,800	2,000	negotiable	25.00	3.04
<b>ULSTER BANK (NI)</b>	1,250	1,400	1,600	1,800	negotiable	negotiable	0

<sup>a</sup> Plus incentive of five-year Young Person's Rail Card

BALANCE TRANSFERS: 0%	APR (%)	RISK BASED	0% PERIOD TRANSFER (MONTHS)	0% PERIOD PURCHASE (MONTHS)	DEAL STARTS
<b>POST OFFICE 2 in 1 Platinum</b>	12.9		6	6	Issue
<b>CITI Classic Plus Visa</b>	14.9	✓	6	6	Issue
<b>ULSTER BANK (NI) Gold MasterCard</b>	16.9		6	6	Transfer
<b>HELP THE AGED Visa</b>	17.9		6	6	Issue

BALANCE TRANSFERS: LONG-TERM	INTEREST RATES (%)		RISK BASED	DEAL STARTS
	BALANCE TRANSFER APR	STANDARD PURCHASE APR		
<b>INTELLIGENT FINANCE Life of Balance Visa</b>	4.95	16.90	✓	Issue
<b>MORGAN STANLEY Platinum MasterCard</b>	5.90	15.90		Transfer
<b>HALIFAX Balance Transfer Visa</b>	5.94	15.90		Issue
<b>SAINSBURY'S BANK Standard/Platinum Visa</b>	5.94	15.90	✓	Transfer

SPENDING ABROAD	INTEREST RATE (%)	FEES (%)	
	STANDARD PURCHASE APR	EU	WORLDWIDE
<b>NATIONWIDE BS Classic Visa</b>	15.9	0	0
<b>SAGA Visa</b>	14.9	0	1
<b>LIVERPOOL VICTORIA Visa</b>	16.7	0	2.75

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](mailto:moneynews@which.co.uk)

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complaints a day about mortgage endowments in 2005-2006

FINANCIAL OMBUDSMAN SERVICE

## Student accounts

Free iPods, MP4 players and railcards are just some of the freebies on offer from banks to attract new student accounts. But however alluring, their value is trivial compared with a decent free overdraft, so consider that first.

Our Best Buy student accounts have the most generous interest-free and fee-free overdrafts. Once you've used up the free overdraft, you can apply for an authorised overdraft, but most banks will charge you interest on this. Make sure you arrange additional borrowing: the interest rate for unauthorised overdrafts is much higher.

## Credit cards for balance transfers

More cards have started to charge fees for balance transfers, but none of our Best Buys does. If you don't want to pay a fee, the longest deals at the moment are for six months, offering 0 per cent on both balance transfers and purchases. The Post Office Platinum card can also be used like a loan, which lets you pay a low rate (6.8 per cent APR) on up to two high-value purchases for 12 months. Remember that you will go on to the much higher standard rate at the end of these deals, so either switch to another or pay off the debt. Deals that start from the date you make the transfer are better than those that start from when the card was issued because they offer the full interest-free period.

If you don't want to switch every time a deal ends, transfer your balance to a card with a long-term low rate. None of our Best Buys charges a fee, and their rates last until you have paid off the balance. But the standard rate for all these cards is higher than the balance transfer rate, so use other cards for purchases.

## Spending abroad

The obvious card to take on holiday is Nationwide Classic Visa, which doesn't charge fees for purchases wherever you are in the world. Both our other Best Buys are free if you're in Europe but charge elsewhere. None of these is a Best Buy for borrowing, so pay off your bill when you get home. And they all charge for cash withdrawals.

## Your money

### Credit charges cut

Credit card companies have cut their charges after pressure from Which? and the Office of Fair Trading (OFT). Earlier this year we launched our Asbo campaign to force banks to cut charges for late credit card payments and unauthorised overdrafts, and the OFT said companies charging more than £12 could face legal action.

Disappointingly, most companies, including Barclaycard, Lloyds, Halifax/Bank of Scotland, HSBC, and Royal Bank of Scotland/NatWest, have cut their charges to exactly £12. Other companies have reduced their charges further. American Express charges £8 and Co-op £11. Co-op told us: '£11 is a true reflection of the costs we incur dealing with these missed payments.'

And that is the point. Companies are allowed to charge only what it costs to deal with late payments. We think their costs could be lower than £12, so they should cut their charges further. See [www.which.co.uk/bankingcharges](http://www.which.co.uk/bankingcharges) for more.



American Express and Co-op have cut charges for late payments to less than £12

### Not such a Capital deal

We're delighted that Barclaycard has decided not to go ahead with its offer of 0 per cent on balance transfers as long as you spend £25 a month. We reported on this in June (p31) and called on the company to withdraw it.

We don't think any deal should require people to run up more debt, so we're disappointed to see Capital One advertising a similar offer. Its latest balance transfer deal gives you 0 per cent for 18 months – but only if you spend at least £100 in the first three months. You'll be charged a typical APR of 15.9 per cent on this debt, and you can't pay it off until the balance transfer is cleared. So over the 18 months, even if you spend only the minimum £100, you will pay nearly £25 in interest.

Capital One says: 'Our customer research has told us that people do understand this product and feel that it is a fair offer.'

#### NEWS IN BRIEF

##### Bye bye, Woolwich

■ Barclays is getting rid of its Woolwich branches. Although this will result in fewer branches overall, all Barclays and Woolwich customers will be able to use all the branches. Woolwich accounts will move to Barclays.

##### New Halifax account

■ Halifax has launched a current account that pays an impressive 5 per cent on credit balances. However, Halifax scores below average in our survey of customer satisfaction, so the account won't be a Best Buy. Look out next month for our latest Best Buy current accounts.

##### Capital One savings

■ It's hard to miss the ads for Capital One's new Base Beater savings account, which promises to beat the Bank of England base rate until 2010. But even at its current rate of 4.55 per cent, the account doesn't beat our Best Buys, which are currently paying as much as 4.85 per cent (see [www.which.co.uk/savings](http://www.which.co.uk/savings)).

#### TAKE ACTION!

If you're starting college this autumn, sort out your bank account now to make the most of your money.

### 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.

### 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](http://www.which.co.uk).