



Money monitor

Best Buys plus
what's in
the news

SAVINGS ACCOUNTS	INTEREST AER (%)				CONDITIONS		CONSISTENCY
	ACCESS	£100	£1,000	£5,000	INITIAL DEP (£)	NOTICE (DAYS)	
MANCHESTER BS Premier Notice	B/P		4.90	4.90	2,500	60	
ANGLO IRISH BANK 7 Day Notice	P/T		4.85	4.85	500	7	✓
BRADFORD & BINGLEY eSavings 2	I		4.85	4.85	1,000	0	✓
DUNFERMLINE BS Base Rate Tracker 9	B/P	4.80	4.80	4.80	100	30	

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

Savings accounts

There's not much to choose between the interest rates from our Best Buys this month. If you want instant access to your cash, Bradford & Bingley's eSavings 2 account is paying 4.85 per cent. It's a consistent Best Buy, but you need at least £1,000 to invest, and it's online only. Anglo Irish Bank's account is also a consistent Best Buy, with

REGULAR SAVINGS	AER (%)	MTH DEP		CONDITIONS		CONSISTENCY
	£100+	MIN (£)	MAX (£)	TERM (MTH)	WITHDRAWAL W/O PENALTY	BEST BUY FOR 6 MONTHS
VARIABLE INTEREST RATE						
SCARBOROUGH BS	6.00	10	250 ^a	10	1	✓
DERBYSHIRE BS	5.00	10	1,000 ^a	11	1	✓
BATH BS	5.25	20	250	12	1	
MONMOUTHSHIRE BS	5.25	20	1,000	12	1	
FIXED INTEREST RATE						
HALIFAX	7.00	25	250	12	0	
LEEK UNITED BS	6.00	10	250	12	0	

a You can make several payments a month as long as the total is within the monthly deposit limit

Regular savings

Regular savings accounts are a good bet if you can commit to saving something every month, rather than putting a lump sum away.

Scarborough Building Society is still riding high as the best of our regular savings Best Buys. It pays an impressive 6 per cent if you save between £10 and £250 a month for a year. It's flexible, too, as you can make one withdrawal a year without penalty and you can make more than one deposit a month, as long as you don't go over the £250 maximum. Its interest rate is

BALANCE TRANSFERS: 0%	APR (%)	0% PERIOD			DEAL STARTS
		RISK BASED	TRANSFER (MONTHS)	PURCHASE (MONTHS)	
LLOYDS TSB Rewards Amex Credit Card Tier 3	14.9	✓	9		Transfer
POST OFFICE Platinum	12.9		6	6	Issue

Credit cards for balance transfers

Interest-free credit-card transfers can be a great way to borrow. The best deal currently available is the Lloyds TSB Rewards Amex Credit Card Tier 3, which is offering 0 per cent on transferred balances for nine months with no fee. As well as offering six months at 0 per cent on balance transfers and purchases, the Post Office Platinum card can be used like a loan, which means 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 it's important either to switch to another deal or to pay the debt

BALANCE TRANSFERS: LONG-TERM	INTEREST RATES		DEAL STARTS
	BALANCE TRANSFER APR (%)	STANDARD PURCHASE APR (%)	
INTELLIGENT FINANCE Visa	4.95	16.90	Issue
AMERICAN EXPRESS Red	5.90	12.90	Issue
MORGAN STANLEY Cashback/Platinum	5.90	15.90	Transfer
NECTAR Credit Card	5.90	12.90	Issue

SPENDING ABROAD	APR (%)	FEES	
		EU (%)	WORLDWIDE (%)
NATIONWIDE Classic/Gold Visa	14.9	0	0
SAGA Visa	14.9	0	1
LIVERPOOL VICTORIA Visa	16.7	0	2.75

Spending abroad

The obvious credit card to choose if you're going on holiday is the Nationwide Classic or Gold Visa, which charges no fees, whether you're in the EU or elsewhere in the world. Both our other Best Buys are free if you're in the EU, but Liverpool

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

Rates correct at 8 May 2006

£2 billion

of stocks and shares Isas sold in 2005-2006 (up 13% from previous year)

INVESTMENT MANAGEMENT ASSOCIATION

a lower initial deposit of £500, but you have to give seven days' notice for withdrawals. Manchester Building Society's Premier Notice account has the highest rate at 4.90 per cent, but it needs a hefty initial deposit of £2,500 and 60 days' notice for withdrawals, which you may feel is not worth it for an extra 0.05 per cent interest.

variable, so it could go down as well as up, but it has consistency on its side, having been a Best Buy for the last six months.

If you want to save more than £250 a month, try Derbyshire or Monmouthshire Building Societies. Monmouthshire's rate is slightly higher, but Derbyshire has been a Best Buy for six months.

If flexibility's not important to you, and you want a rate that won't change, Halifax's account pays 7 per cent. To get this rate, though, you can't miss a payment or make any withdrawals.

ce transfers

off. Cards that start the deal from the date you make the transfer are better than those that start from the date 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. Their rates last until you have paid off the balance. The American Express Red card is a new card that will donate 1 per cent of what you spend to charity. However, as with all the long-term, low-rate cards, its standard interest rate is much higher, so it's better to use another card for new purchases.

Victoria charges 2.75 per cent in the rest of the world, and Saga a more reasonable 1 per cent.

None of these cards is a Best Buy for borrowing, though, so make sure that you pay off your balance when you get home.

Your money

Barclaycard up to old tricks again



Barclaycard's back with a deal we thought we'd seen the last of. Its latest offer looks attractive, promising 0 per cent on balance transfers until the debt is repaid – but you have to spend £25 a month. The catch is that Barclaycard charges unavoidable interest on that spending at a typical 17.9 per cent.

So if you transferred £3,000 to Barclaycard under this deal and repaid it at £100 a month, it would take you 41 months to clear the total debt and cost you £258 in interest. With one of our Best Buys, the Intelligent Finance Visa (see left), which charges 4.95 per cent until you've repaid the debt, it would take eight months less and cost £56 less in interest.

Barclaycard's offer is virtually the same as its '0 per cent forever' deal in 2003, which was censured by both the Office of Fair Trading and the Advertising Standards Authority after we complained. We don't think that any card company should have offers that require people to run up further debt, and we're asking Barclaycard to withdraw this deal.

Which? demands action on pensions

Which? has written to the financial regulator – the Financial Services Authority (FSA) – demanding action on pensions.

Since 1988, the government has handed over £35 billion of taxpayers' money to the pensions industry to invest for people who were advised to opt out of the state second pension into a personal pension. Despite this huge payout, our research shows that 4.5 million people are set to be worse off when they retire.

The FSA's own guidelines give it three months to respond to our requests – we'll let you know when we hear something.

NEWS IN BRIEF

Instant interest

■ Current account customers at Lloyds TSB now earn interest straightaway on cheques they pay in worth up to £1,000. Those who are overdrawn will pay less interest, as the cheque is credited instantly. But for most Lloyds' customers, who get a paltry 0.1 per cent on credit balances, it will make little difference.

Tesco's card game

■ Tesco's Bonus credit card refunds the equivalent of one month's interest it charges each year. So if you'd been charged £120 in interest over 12 months, you'd get £10 back at the end of the year. But its interest rate is 12.9 per cent, and even with this refund the Bonus card isn't a Best Buy for people who borrow on it. Instead of refunding interest, we think Tesco should have a lower rate.

Sainsbury's deal

■ Sainsbury's Standard Platinum Visa currently charges no interest on purchases for a year. After that the APR reverts to 15.9 per cent.

TAKE ACTION!

If your bank has hit you with unfair default charges, see p23 for how to claim them back.

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

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